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United States  
Department of  
Agriculture

Office of  
Inspector  
General

# Office of Inspector General FY 1993 Annual Plan

October 1, 1992 - September 30, 1993





OFFICE OF INSPECTOR GENERAL

FY 1993 ANNUAL PLAN

October 1, 1992 - September 30, 1993



## FOREWORD

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This is the Office of Inspector General's (OIG) Annual Plan for fiscal year (FY) 1993. It describes the audit and investigative work we plan to conduct this year as we carry out our mission of detecting and preventing fraud, waste, and mismanagement in U.S. Department of Agriculture (USDA) programs.

To ensure that we provide adequate audit and investigative coverage for the more than 300 programs operated by the Department, we use a strategic planning process. A major component of this process is the solicitation of suggestions and concerns from the Under and Assistant Secretaries and agency heads, as well as field managers and staff, regarding programs or aspects of program operations that should be reviewed. As always, we value their input. Other factors are considered as well, including the dollar value of programs and the potential dollar loss, new or changed legislative or regulatory requirements, and prior audit and investigative findings. Our strategic planning process enables us to identify and focus on those programs most vulnerable to fraud and waste, or those where the largest dollar losses are most likely to occur. In addition, it assists us in maximizing the use of our audit and investigative resources.

During FY 1993 we plan to focus our audit efforts on the Department's designated "high risk" areas, which include Farmers Home Administration loan programs, the Federal Crop Insurance Corporation's indemnity payment process, and food stamp trafficking in the Food and Nutrition Service's Food Stamp Program. We will also give emphasis to the Department's financial accounting systems, consumer protection issues, large payments to farmers, and guaranteed loan programs.

Our investigative priorities include the timely and thorough investigation of threats to the health and safety of the public, employee integrity issues, and fraud in the loan, regulatory, and benefit programs.

We have also "planned for the unplanned" in this document; that is, we have set aside time to deal with those unexpected, critical issues that inevitably arise during the course of a year. We believe this flexibility is necessary for us to be effective in our mission and responsive to high priority issues as they arise. We welcome suggestions for areas to which the OIG might give attention in future audit and investigative activities.

  
LEON SNEAD  
INSPECTOR GENERAL





## CONTENTS

THE OIG MISSION .....	1
AUDIT AND INVESTIGATIVE UNIVERSE .....	2
STRATEGIC PLANNING .....	2
USDA ORGANIZATIONAL CHART .....	3
DISTRIBUTION OF OFFICE OF INSPECTOR GENERAL RESOURCES	
BY UNDER AND ASSISTANT SECRETARIES .....	4
BY AGENCY .....	5
INVESTIGATIONS .....	6
INVESTIGATIVE PLANNING .....	6
THE INVESTIGATIVE PROCESS .....	7
HOTLINE .....	8
SPECIAL REPORTING OF BRIBES OR GRATUITIES .....	9
DISTRIBUTION OF INVESTIGATIVE RESOURCES	
BY UNDER AND ASSISTANT SECRETARIES .....	10
BY AGENCY .....	11
AUDIT .....	12
AUDIT PLANNING .....	13
THE AUDIT PROCESS .....	13
DISTRIBUTION OF AUDIT RESOURCES	
BY UNDER AND ASSISTANT SECRETARIES .....	15
BY AGENCY .....	16

## APPENDIX

I.	OIG STRATEGIES .....	19
	FARM PROGRAMS .....	20
	MARKET DEVELOPMENT .....	23
	DIRECT AND INSURED LOANS .....	25
	GUARANTEED LOANS .....	27
	RURAL DEVELOPMENT .....	28
	INSURANCE .....	29
	ENTITLEMENT PROGRAMS .....	30
	CONSUMER PROTECTION .....	32
	FOREST SERVICE .....	34
	MANAGEMENT/CONTROL OF ENVIRONMENTAL HAZARDS .....	35
	RESEARCH AND TECHNOLOGY TRANSFER .....	37
	PROCUREMENT AND CONTRACTS .....	38
	ACCOUNTING AND FINANCIAL MANAGEMENT .....	39
	AUTOMATED DATA PROCESSING (ADP) SYSTEMS .....	41
	EMPLOYEE INTEGRITY .....	43
	PROGRAM COMPLIANCE, ECONOMY, AND EFFICIENCY ....	44
II.	MAJOR AUDITS PLANNED FOR FISCAL YEAR 1993 .....	47
III.	FISCAL YEAR 1993 AUDITS PLANNED .....	69

## ACRONYMS

ADP	Automated Data Processing
AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ASCS	Agricultural Stabilization and Conservation Service
CCC	Commodity Credit Corporation
CSRS	Cooperative State Research Service
FAS	Foreign Agricultural Service
FCIC	Federal Crop Insurance Corporation
FGIS	Federal Grain Inspection Service
FmHA	Farmers Home Administration
FNS	Food and Nutrition Service
FS	Forest Service
FSIS	Food Safety and Inspection Service
FY	Fiscal Year
OFM	Office of Finance and Management
OIG	Office of Inspector General
OMB	Office of Management and Budget
RDA	Rural Development Administration
REA	Rural Electrification Administration
SCS	Soil Conservation Service
U.S.	United States
USDA	U.S. Department of Agriculture



## THE OIG MISSION

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The OIG's mission is to prevent and detect fraud, waste, and mismanagement in USDA programs. OIG was legislatively established in 1978 with the enactment of the Inspector General Act (Public Law 95-452). The act requires the Inspector General to

- perform audits and investigations of the Department's programs and operations,
- make suggestions and recommendations that will help the USDA agencies improve their management and operations,
- review existing and proposed regulations and legislation and make appropriate recommendations,
- be involved in activities that promote economy, efficiency, and effectiveness or that prevent and detect fraud, waste, and mismanagement in programs and operations, both within USDA and in non-Federal entities that receive USDA assistance, and
- report OIG activities to the Secretary and the U.S. Congress semiannually on March 31 and September 30 each year.

We accomplish this mission by

- investigating allegations of fraud, waste, and mismanagement,
- using preventive audit approaches, such as reviews of systems under development,
- conducting audits of the adequacy and vulnerability of management and program control systems, and
- auditing the adequacy of large USDA payments, such as insurance and deficiency payments, major loans, and retailer food stamp redemptions.

OIG is headquartered in Washington, D.C., and has regional offices located in San Francisco, California; Atlanta, Georgia; Chicago, Illinois; Hyattsville, Maryland; Kansas City, Missouri; New York, New York; and Temple, Texas. In addition, the Financial Management and ADP Audit Operations staff is located in Kansas City, Missouri.



We emphasize service to management at all levels of the Department by briefing senior Department officials on the results of major audits and investigations. As a member of the President's Council on Integrity and Efficiency, we also participate with other Inspectors General in multiagency projects where the issues are crosscutting and need to be addressed governmentwide.

## AUDIT AND INVESTIGATIVE UNIVERSE

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USDA's FY 1993 budget provides for an annual program level of over \$82 billion, encompassing over 40 agencies with more than 300 programs and 2 major computer centers. This program level represents the gross financial value of benefits provided to the public by USDA. These benefits may be in the form of financial assistance through grants, guaranteed or direct loans, cost-sharing, professional services such as research or technical assistance, or in-kind benefits such as commodities.

USDA programs are delivered in every State, county, and city in the nation by more than 113,000 Federal and thousands of non-Federal government employees. In addition, the Secretary of Agriculture has appointed agricultural ministers, attaches, and officers to 80 U.S. embassies, consulates, and trade offices covering over 100 countries. USDA is involved in extensive food quality and safety issues, food aid assistance programs, market development activities, and a wide range of export promotion programs.

The audit and investigative universe is comprised of programs, functions, and organizations and the contractors and grantees for which USDA is responsible. We have updated our profiles of the major USDA components and functional areas and reassessed the areas most vulnerable to fraud, waste, abuse, or mismanagement.

## STRATEGIC PLANNING

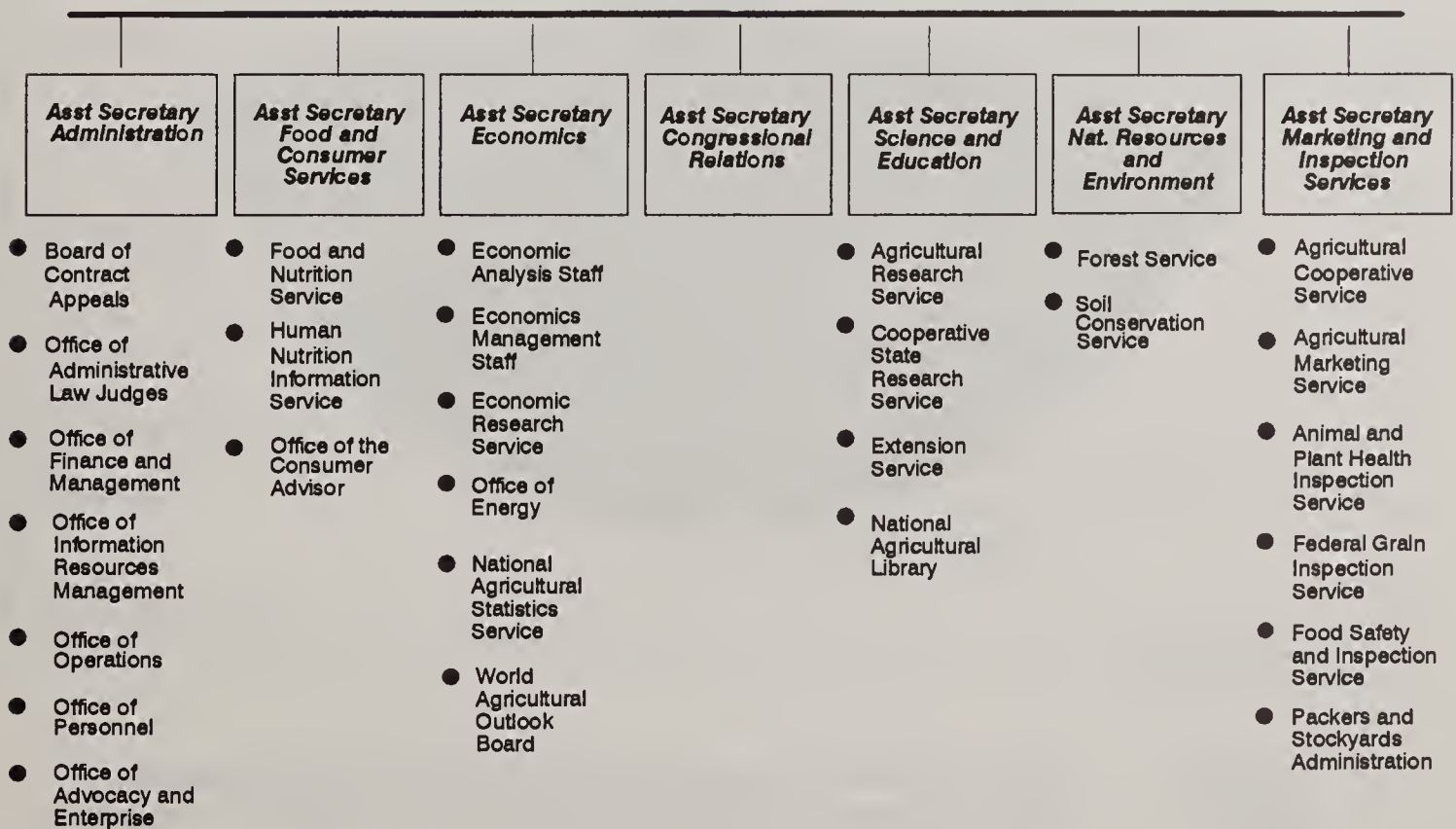
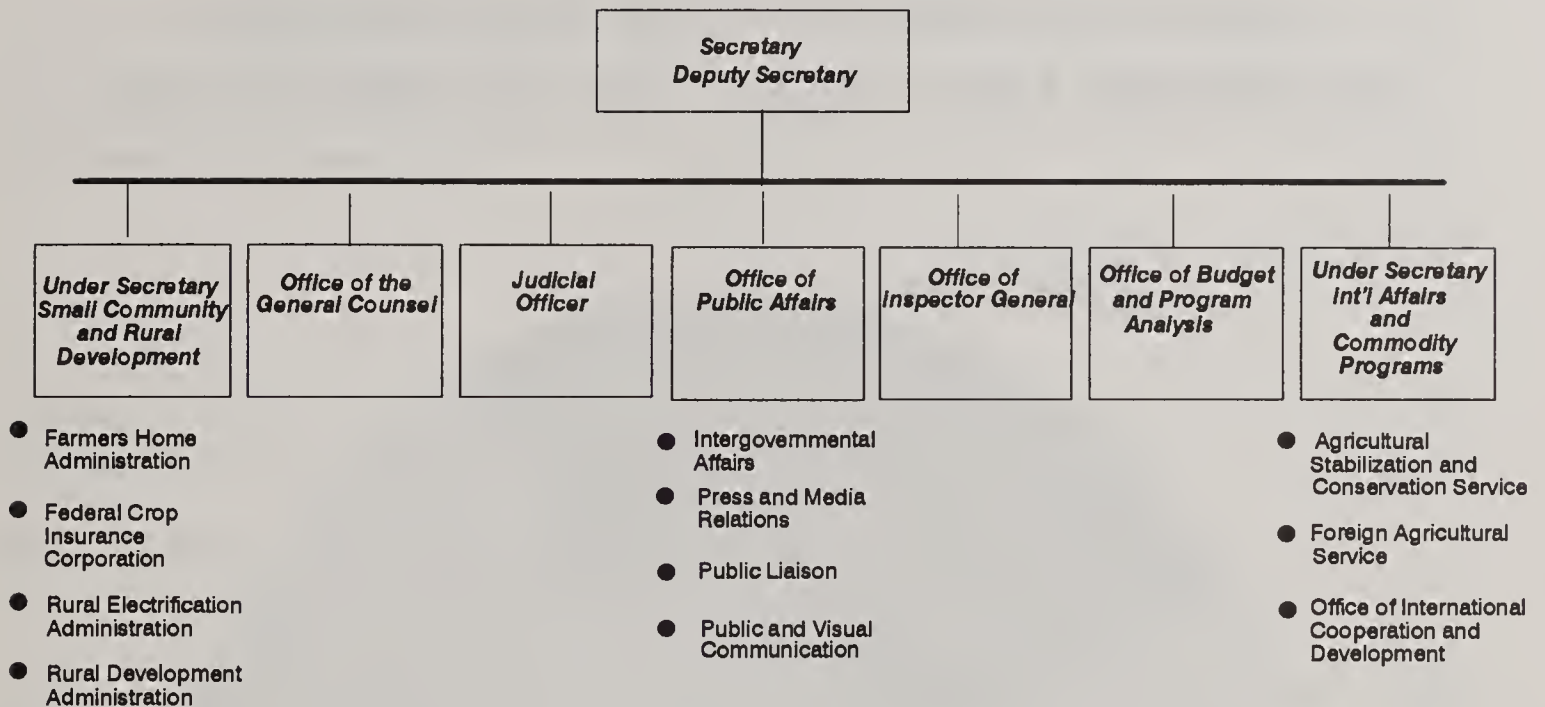
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We continued our strategic approach to planning and prioritizing audit and investigation activities for FY 1993. Our strategies include continuing emphasis on USDA's "high risk" areas and actions taken to correct these weaknesses in program operations. We have also considered key departmentwide management issues, such as ADP oversight, financial management and integrated information systems, and audit followup, in the work planned for the coming year.

Descriptions of the strategies and examples of audit and investigative work within the strategies are provided in Appendix I. Appendices II and III include a description of the major audits planned and a list of all audits included in the Plan.

# USDA ORGANIZATIONAL CHART

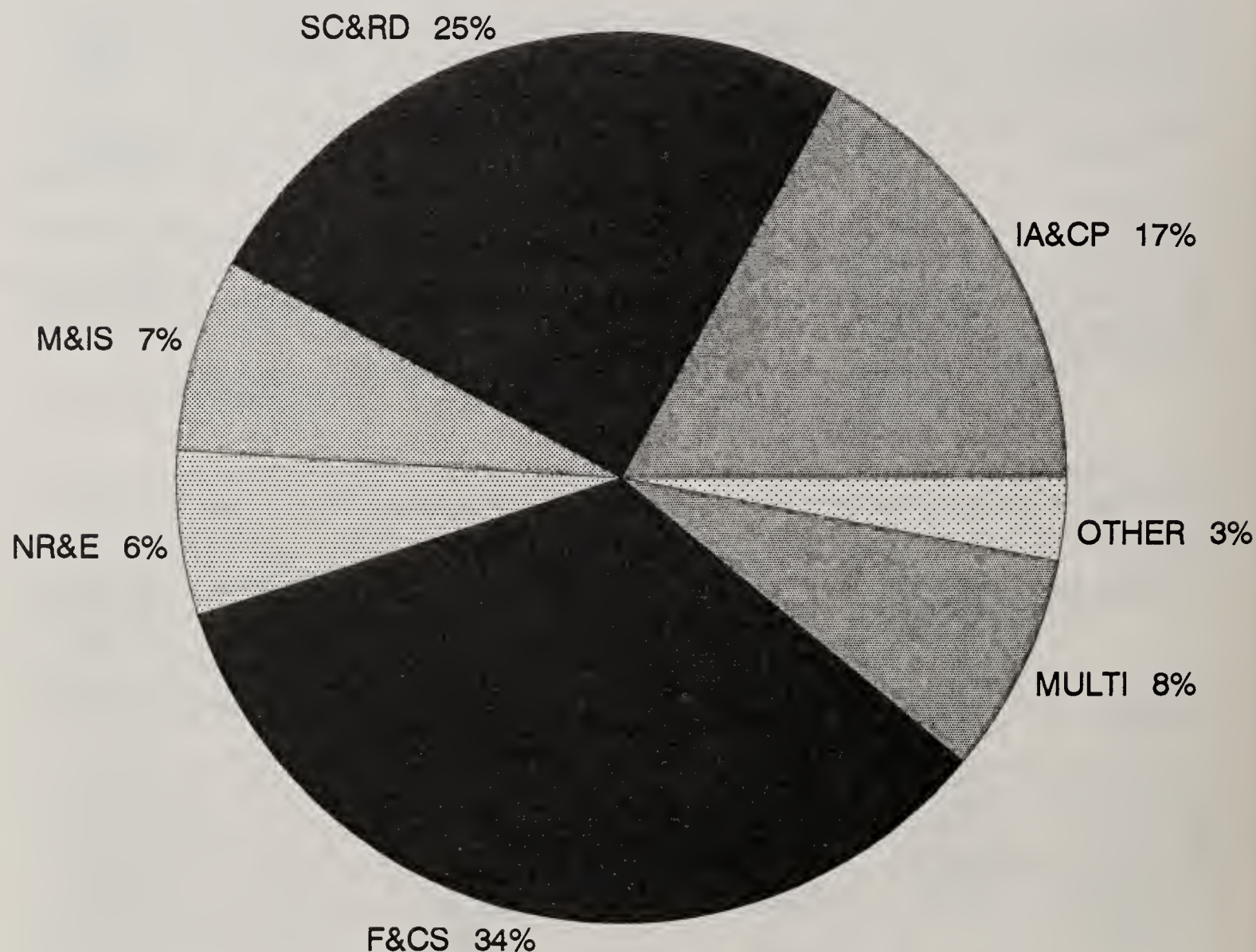
As of July 1992





# ***FY 1993 ANNUAL PLAN***

## **DISTRIBUTION OF OIG RESOURCES BY UNDER AND ASSISTANT SECRETARIES**



### **LEGEND**

SC&RD	--	Under Secretary, Small Community and Rural Development
IA&CP	--	Under Secretary, International Affairs and Commodity Programs
F&CS	--	Assistant Secretary, Food and Consumer Services
NR&E	--	Assistant Secretary, Natural Resources and Environment
M&IS	--	Assistant Secretary, Marketing and Inspection Services



**DISTRIBUTION OF OFFICE OF INSPECTOR GENERAL RESOURCES  
BY AGENCY  
FY 1993 PLANNED**

<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>	Agricultural Stabilization and Conservation Service	14%
	Foreign Agricultural Service	3%
	Office of International Cooperation and Development	*
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>	Farmers Home Administration	21%
	Federal Crop Insurance Corporation	4%
	Rural Electrification Administration	*
	Rural Development Administration	*
<b>MARKETING AND INSPECTION SERVICES</b>	Agricultural Marketing Service	1%
	Animal and Plant Health Inspection Service	2%
	Federal Grain Inspection Service	*
	Food Safety and Inspection Service	4%
<b>NATURAL RESOURCES AND ENVIRONMENT</b>	Forest Service	6%
	Soil Conservation Service	*
<b>FOOD AND CONSUMER SERVICES</b>	Food and Nutrition Service	34%
<b>MULTIPLE AGENCY</b>		8%
<b>OTHER</b>	Administration, Economics, OGC, Science & Education	3%
*Less than 1%		

## INVESTIGATIONS

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Investigations are authorized inquiries to gather the facts needed to resolve an allegation that someone has violated a rule, regulation, or law pertaining to USDA programs or operations.

OIG Special Agents are criminal investigators who specialize in the investigation of white collar crimes involving USDA programs. Each investigator receives initial training at the Federal Law Enforcement Training Center in Glynco, Georgia. Additional training in law enforcement procedures, investigative techniques, and USDA program regulations is provided throughout the career of the investigator.

## INVESTIGATIVE PLANNING

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The investigative planning process focuses on identifying program vulnerabilities and investigative priorities, then establishes general guidelines for the allocation of our investigative resources. It includes an analysis of historical patterns, trends, and results; a review of recent legislative, regulatory, and program changes; consideration of U.S. Department of Justice prosecutive guidelines; consideration of budgetary and staffing restrictions; and coordination with audit activities. Through the investigative planning process, we have identified priorities that include the timely investigation of

- threats to the health and safety of the public,
- issues involving allegations of bribery, conflict of interest, embezzlement, theft, or collusion with program participants, and
- fraud in the loan, regulatory, and benefit programs.

In preparing our plan for FY 1993, we analyzed data on requests for investigation received in previous years, the number of cases opened, and the results of those investigations. We reviewed recent legislative, regulatory, and program changes, and contacted each agency within USDA for suggestions and recommendations. We also reviewed audit plans for FY 1993 and considered our budget and anticipated staffing. Based on these considerations, we developed general guidelines for emphasizing areas for investigation.

These guidelines will be reviewed during FY 1993 by our regional managers prior to making their case-opening decisions of investigative referrals. Additional criteria used to determine whether to initiate an investigation include the potential program impact, the likelihood of criminal prosecution, the likelihood of large civil recovery, and the deterrent value.

The majority of the investigations are based on referrals from USDA agencies. Departmental Regulation 1710-2, "OIG/Investigations Organization and Operations," requires that USDA agencies expeditiously report known or suspected violations of law or regulations to OIG. Activities which must be reported to OIG include

- submission of false claims and false or fraudulent statements by employees, producers, vendors, contractors, borrowers, cooperators, and others,
- conspiracy to defraud the United States,
- theft, damage, or conversion of Government commodities or other property,
- concealment, removal, obliteration, falsification, forgery, alteration, or destruction of official documents,
- misappropriation or embezzlement of Government funds,
- bribery or attempted bribery of USDA employees,
- conflict of interest,
- violations of the Food Stamp Act or other statutes pertaining to USDA nutritional programs, and
- certain criminal violations of the Federal Meat Inspection Act, the Poultry Products Inspection Act, the Egg Products Inspection Act, the Agricultural Marketing Act, the Federal Grain Inspection Act, and other statutes pertaining to the wholesomeness and quality of food products.

## THE INVESTIGATIVE PROCESS

The investigative process usually begins with the receipt of an allegation of fraud or mismanagement. Investigations are opened in OIG regional offices in accordance with priorities and general guidelines established at the headquarters level and in consideration of prosecutive guidelines established by the local U.S. Attorneys for the U.S. Department of Justice.

After an investigation is opened, it is assigned to a Special Agent who prepares a plan of investigation. This planning process includes a review of the criminal and civil statutes, program regulations, and departmental or agency policies that may be involved. The Special Agent then conducts the investigation, which may require interviewing witnesses, reviewing and analyzing records, obtaining physical evidence, and conducting surveillances and undercover operations. If the Special Agent determines that a crime may have been



committed, he or she will discuss the investigation with a Federal and/or local prosecutor to determine if prosecution will be pursued. Upon completion of the investigation, the Special Agent prepares an investigative report summarizing the facts disclosed during the investigation.

The investigative report is distributed to prosecuting attorneys and agency officials who may have an official interest in the results of the investigation. If the prosecuting attorney decides to proceed with a criminal or civil prosecution, the Special Agent assists the attorney in any preparation for court proceedings that may be required. This assistance may include serving subpoenas, locating witnesses, executing arrest and search warrants, and testifying before a grand jury or at a trial.




At the conclusion of any court actions, we advise the administrative agency involved of the court results and monitor any corrective or disciplinary action that may be taken by the agency. OIG collects data summarizing the court and administrative results of its investigations and includes this data in its semiannual report to the U.S. Congress.

## **HOTLINE**

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The OIG Hotline is a toll-free telephone number which anyone may call to report fraud, mismanagement, or waste in a USDA program or misconduct by a USDA employee. Callers may choose to remain anonymous or may request that OIG keep their identity confidential.

We have established three Hotline numbers for use by the public and departmental employees. These numbers are:

	800-424-9121	This is a toll-free number to be used outside Washington, D.C.
	202-690-1622	This number is to be used in the Washington, D.C. metropolitan area.
	202-690-1202	This number connects to a telecommunications device for the hearing impaired. (NO TOLL FREE NUMBER, CALL COLLECT)

The OIG Hotline staff is responsible for receiving, reviewing, and analyzing complaints and referring them for inquiry and appropriate action. Complaints are investigated or audited by OIG, or are referred to the USDA agency responsible for the program or employee in question, or to the responsible Federal, State, or local agency. If we refer the complaint to the USDA agency responsible for administering the particular program, we review the agency's response to ensure that proper action is taken on each complaint.

OIG received 3,270 Hotline complaints in FY 1991 -- the most received in a single year. Since FY 1987 the number of Hotline complaints forwarded to OIG has increased by over 50 percent. This trend appears to be continuing in FY 1992, with 2,841 complaints received in the first 9 months. The automated tracking system has helped the Hotline staff keep pace with the increasing number of complaints.

## **SPECIAL REPORTING OF BRIBES OR GRATUITIES**

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USDA employees serve as inspectors and graders of meat, poultry, dairy, eggs, and produce and also meet and deal with the public as loanmakers. These employees are often subject to bribes and gratuities to influence their official duties. USDA employees who receive offers of bribes or gratuities may contact OIG by calling the direct line indicated below. Complainants may also write to the Office of Inspector General at P.O. Box 23399, Washington, D.C. 20026.

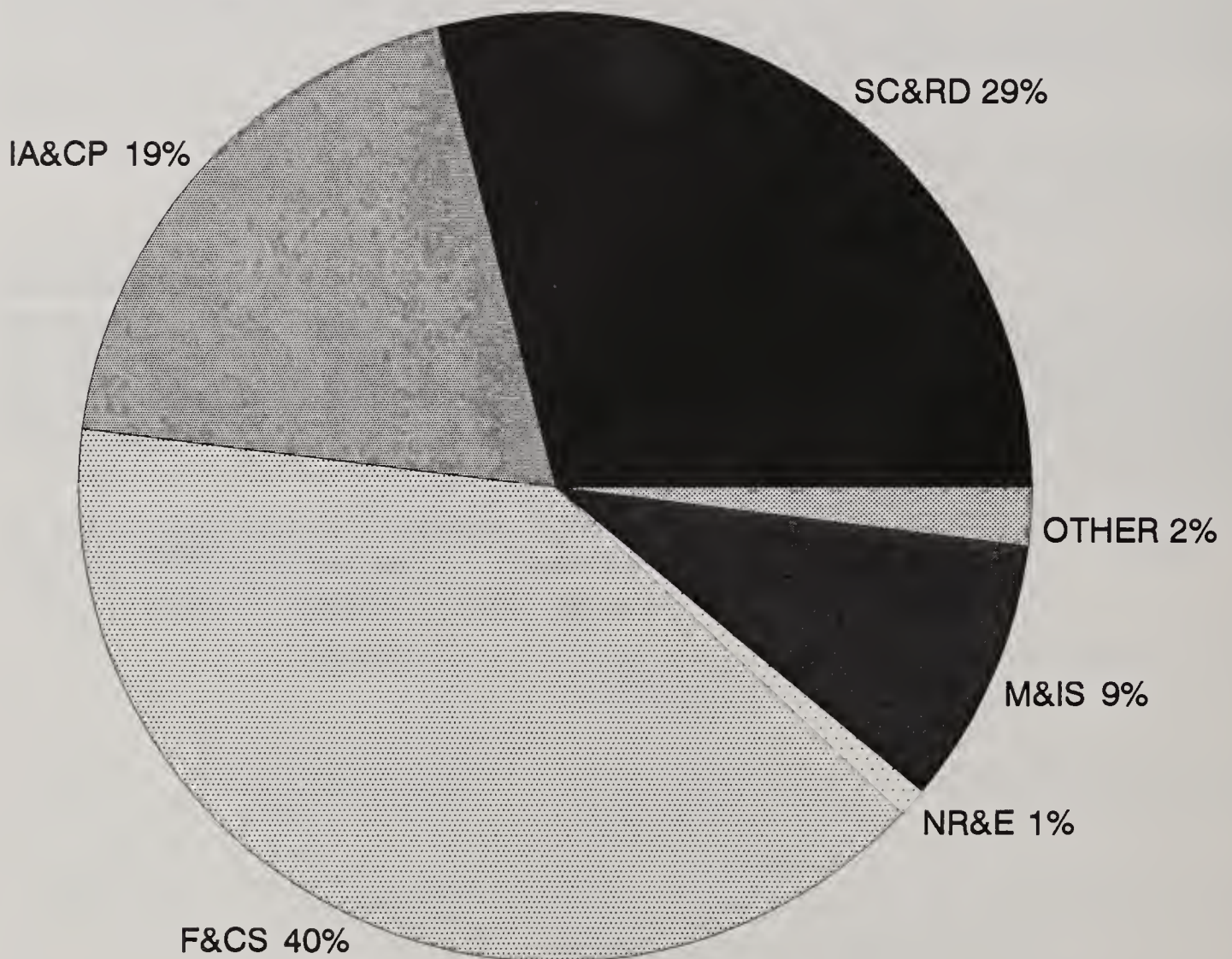


202-720-7257

This number is to be used by USDA employees to report offers of bribes or gratuities.

# ***FY 1993 ANNUAL PLAN***

## **OIG INVESTIGATIONS RESOURCES BY UNDER AND ASSISTANT SECRETARIES**



### **LEGEND**

SC&RD	--	Under Secretary, Small Community and Rural Development
IA&CP	--	Under Secretary, International Affairs and Commodity Programs
F&CS	--	Assistant Secretary, Food and Consumer Services
NR&E	--	Assistant Secretary, Natural Resources and Environment
M&IS	--	Assistant Secretary, Marketing and Inspection Services



**DISTRIBUTION OF INVESTIGATIVE RESOURCES  
BY AGENCY  
FY 1993 PLANNED**

<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>	Agricultural Stabilization and Conservation Service	15%
	Foreign Agricultural Service	4%
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>	Farmers Home Administration	25%
	Federal Crop Insurance Corporation	3%
	Rural Electrification Administration	1%
<b>MARKETING AND INSPECTION SERVICES</b>	Agricultural Marketing Service	1%
	Animal and Plant Health Inspection Service	2%
	Federal Grain Inspection Service	*
	Food Safety and Inspection Service	6%
<b>NATURAL RESOURCES AND ENVIRONMENT</b>	Forest Service	1%
	Soil Conservation Service	*
<b>FOOD AND CONSUMER SERVICES</b>	Food and Nutrition Service	40%
<b>OTHER</b>	Administration, Economics, OGC, Science & Education	2%
*Less than 1%		

## AUDIT

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Audit is the examination and verification of the economy and efficiency of an agency's operations, their effectiveness in achieving program results, their compliance with applicable laws and regulations, and fairness in reporting their financial operations. In addition to audits performed by OIG staff, we contract with certified public accountants for some audits and oversee the quality of the work of auditors under contract to other agencies of the Department.

OIG auditors conduct their work in accordance with the "Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (Yellow Book), published by the General Accounting Office, and the American Institute of Certified Public Accountants professional standards. We have established and implemented a program to ensure that our staff maintains professional proficiency through continuing education and training. Training directly related to the Government auditing environment is provided to newly hired, intermediate, and advanced level OIG auditors through in-house audit academies.

"Government Auditing Standards" describes the types of audits that Government and nongovernment organizations conduct and the audit standards to be followed. Government audits are classified as financial or performance audits.

- **FINANCIAL AUDITS**

Financial statement audits determine whether the financial statements of an audited entity present fairly the financial position, results of operations and cash flows, or changes in financial position in accordance with generally accepted accounting principles; and whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

Financial related audits determine whether financial reports and related items, such as elements, accounts, or funds are fairly presented; whether financial information is presented in accordance with established or stated criteria; and whether the entity has adhered to specific financial compliance requirements.

- **PERFORMANCE AUDITS**

Economy and efficiency audits determine whether the entity is acquiring, protecting, and using its resources economically and efficiently; what the causes of any inefficiencies or uneconomical practices are; and whether the entity has complied with laws and regulations concerning matters of economy and efficiency.



Program audits determine whether the desired results or benefits established by the legislature or any other authorizing body are being achieved; whether the organizations, programs, activities, or functions are effective; and whether the entity has complied with laws and regulations applicable to the program.

## AUDIT PLANNING

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Each year, we begin the planning process by updating our profiles of USDA programs and activities and by requesting audit suggestions from the Under and Assistant Secretaries, agency heads, and OIG staff. In prioritizing the suggestions for inclusion in the FY 1993 Plan, we considered

- ✓ current and potential dollar magnitude,
- ✓ audit requirements established by law,
- ✓ statutory and regulatory requirements,
- ✓ adequacy of internal control systems,
- ✓ newness, changed conditions, or sensitivity of the organization, program activity, or function,
- ✓ extent of Federal participation in terms of resources or regulatory authority,
- ✓ management needs to be met,
- ✓ prior audit history,
- ✓ prior investigation history, and
- ✓ timeliness, reliability, scope, and results of audits or evaluations performed by others.

## THE AUDIT PROCESS

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The phases of the audit process include the following.

- **Audit Approach**

Development of an audit approach includes determining the reasons for selecting the audit subject, overall audit objectives and scope, locations to be audited, OIG staff who will perform the audit, staff days needed, other resources required (e.g., specialists with timber or banking expertise) to perform the audit, and benefits anticipated from the audit.

- **Audit Notification**

Audit notification to the appropriate USDA agency or office informs auditees of our intent to begin an audit.

- **Entrance Conference**

OIG staff hold entrance conferences with agency officials to advise them of the purpose and objectives of the audit, its scope, and the general methodology and procedures to be followed.

- **Survey Work**

Auditors perform survey work to gather information and identify problems.

- **Field Audit Work**

Detailed audit testing and interviewing are undertaken if the survey indicates the need to learn more about conditions noted.

- **Discussion Draft Report and Exit Conference**

At the conclusion of an audit, OIG holds a formal exit conference with the agency's principal officials to review the audit results presented in a discussion draft report. This gives management an opportunity to confirm information, to ask questions, and to provide any necessary clarifying data.

- **Official Draft Report**

After the exit conference, OIG makes necessary changes to the draft report and presents it as an official draft report to the agency for final written comments. The agency is generally given 30 days to respond to the official draft report.

- **Final Report**

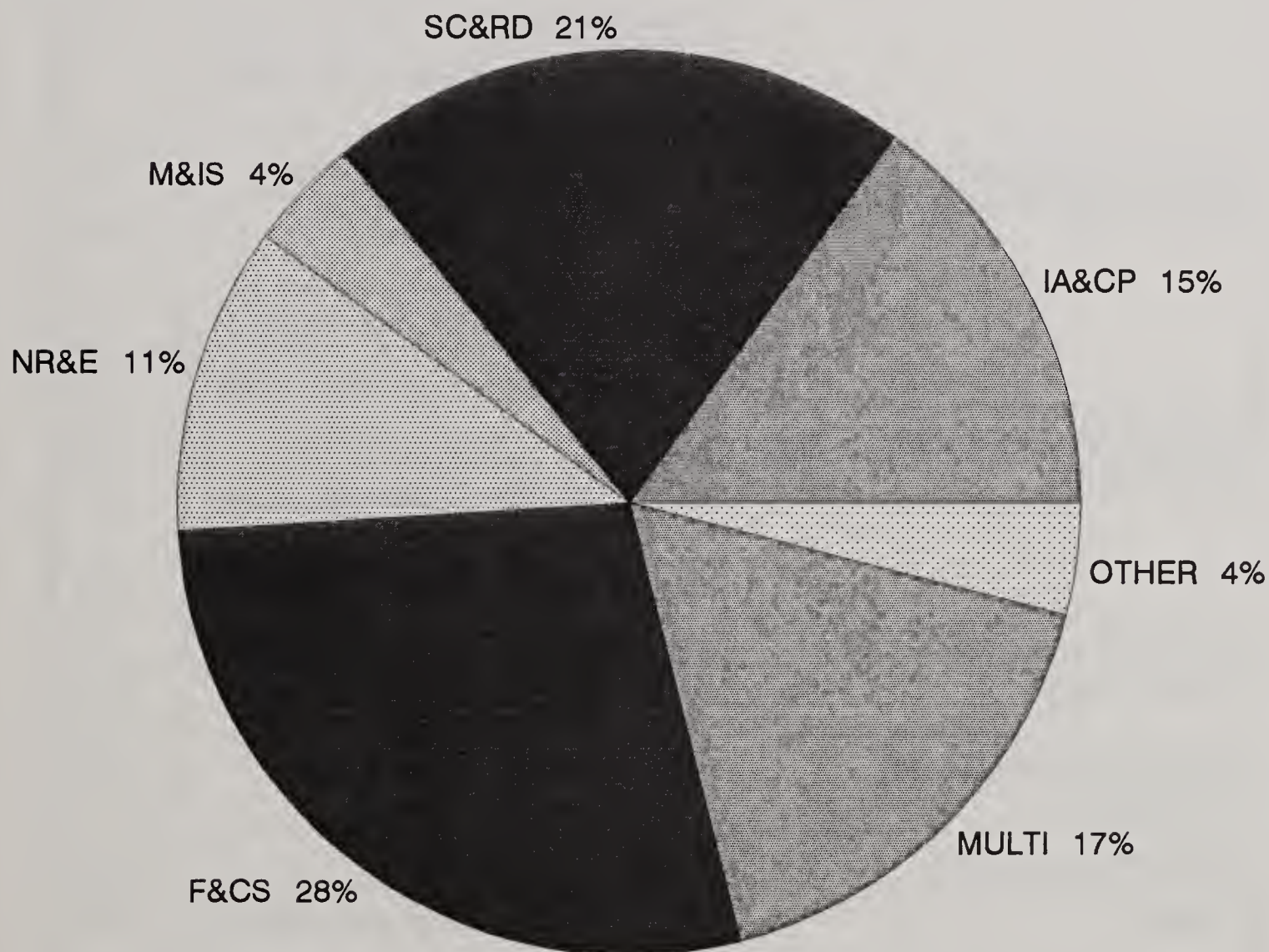
OIG prepares and issues a final report which contains the agency's written response.

- **Management Decision and Final Action**

A management decision (agreement to take action on an audit recommendation) must be reached on all report recommendations within 6 months of issuance of the report. OIG tracks management's actions through the management decision; the Office of Finance and Management (OFM) tracks actions from the management decision to completion of final action. The status of management decisions is included in OIG's semiannual report to the U.S. Congress. The status of final actions, including those not completed within 1 year of the management decision, is reported in the Secretary's semiannual report to the U.S. Congress.

# ***FY 1993 ANNUAL PLAN***

## **OIG AUDIT RESOURCES BY UNDER AND ASSISTANT SECRETARIES**



### **LEGEND**

SC&RD	--	Under Secretary, Small Community and Rural Development	
IA&CP	--	Under Secretary, International Affairs and Commodity Programs	
F&CS	--	Assistant Secretary, Food and Consumer Services	
NR&E	--	Assistant Secretary, Natural Resources and Environment	
M&IS	--	Assistant Secretary, Marketing and Inspection Services	15



**DISTRIBUTION OF AUDIT RESOURCES  
BY AGENCY  
FY 1993 PLANNED**

<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>	Agricultural Stabilization and Conservation Service	13%
	Foreign Agricultural Service	2%
	Office of International Cooperation and Development	*
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>	Farmers Home Administration	16%
	Federal Crop Insurance Corporation	4%
	Rural Electrification Administration	*
	Rural Development Administration	1%
<b>MARKETING AND INSPECTION SERVICES</b>	Agricultural Marketing Service	1%
	Animal and Plant Health Inspection Service	1%
	Food Safety and Inspection Service	2%
<b>NATURAL RESOURCES AND ENVIRONMENT</b>	Forest Service	10%
	Soil Conservation Service	1%
<b>FOOD AND CONSUMER SERVICES</b>	Food and Nutrition Service	28%
<b>MULTIPLE AGENCY</b>		17%
<b>OTHER</b>	Administration, Economics, Science & Education	4%
*Less than 1%		

APPENDIX I  
OIG STRATEGIES



## OIG STRATEGIES

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The FY 1993 Strategies are:

- FARM PROGRAMS
- MARKET DEVELOPMENT
- DIRECT AND INSURED LOANS
- GUARANTEED LOANS
- RURAL DEVELOPMENT
- INSURANCE
- ENTITLEMENT PROGRAMS
- CONSUMER PROTECTION
- FOREST SERVICE
- MANAGEMENT/CONTROL OF ENVIRONMENTAL HAZARDS
- RESEARCH AND TECHNOLOGY TRANSFER
- PROCUREMENT AND CONTRACTS
- ACCOUNTING AND FINANCIAL MANAGEMENT
- AUTOMATED DATA PROCESSING (ADP) SYSTEMS
- EMPLOYEE INTEGRITY
- PROGRAM COMPLIANCE, ECONOMY, AND EFFICIENCY

Descriptions of the strategies follow with examples of audit and investigative work recently performed and planned for FY 1993.

## *FARM PROGRAMS*

The Farm Programs strategy encompasses a variety of farm commodity and conservation programs administered by the Agricultural Stabilization and Conservation Service (ASCS). The programs are funded primarily through the Commodity Credit Corporation (CCC), a Government entity for which ASCS provides operating personnel.

The mission of ASCS is to stabilize, support, and protect farm income and prices and to maintain balances and adequate supplies of agricultural commodities. Program delivery is accomplished through a network of 50 State offices, over 2,800 county offices and approximately 3,000 county committees, one for each agricultural county in the nation. The principal activities of ASCS/CCC included in this strategy are the administration and management of the price support, production adjustment, conservation, emergency assistance, and warehouse examination programs, estimated at approximately \$13 billion in FY 1993.

Production adjustment and price support programs are designed to protect and improve farm income and keep production in line with anticipated needs. These goals are accomplished through the use of deficiency payments to producers who experience low market prices; diversion or set-aside payments to producers who reduce planted program crop areas; price support loans or payments to regulate commodity suppliers; and disaster payments to cope with the effects of droughts, floods, or other natural conditions beyond the producer's control.

Conservation programs were established to assist farmers and ranchers in carrying out land practices to prevent soil erosion, protect farmland, and conserve water resources. Program benefits are provided through annual payments or long-term cost-share agreements to conduct designated practices, to convert eligible land into permanent vegetative cover, and to rehabilitate farmland damaged by natural disasters.

Sales and donations of agricultural commodities are authorized to domestic agencies or foreign governments to keep commodity prices competitive and to develop new foreign or domestic markets for the commodities.

CCC frequently acquires commodities by taking over commodities pledged as collateral for support loans or by purchasing eligible commodities to support the market price. ASCS ensures that adequate storage is available to satisfy program needs by contracting with commercial warehouses to store commodities in county, terminal, and subterminal locations.



These warehouses are examined periodically to ensure compliance with the provisions of the storage agreements.

## AUDIT

Our FY 1992 audits continued to find that producers circumvented payment limitation provisions and received excess disaster assistance payments because of false certifications and the use of wrong yield and payment rates. We also found that producers received farm program benefits after converting wetlands in violation of wetland conservation provisions, and that producer conservation practices under the Colorado River Salinity Control Program did not always address the highest priority needs in the most cost effective manner. Prior audits have also identified the need for improvement to some internal control processes within ASCS, and problems with producers submitting false or misleading information to ASCS for program payment or compliance purposes. OIG will continue to give priority to farm program payments.

The Farm Programs strategy will continue to receive audit emphasis in FY 1993 because of prior audit findings, the expansion and revision of major program areas and the magnitude of funding legislated by the 1990 Farm Bill, and the extensive amount of field office involvement in administration of ASCS programs. Specific audit coverage will be provided through nationwide and special emphasis audits to ensure program integrity and prevent program losses.

Among the major audits of ASCS planned for FY 1993 are audits of producer compliance with payment limitation provisions, disaster assistance payments for nonprogram crops, agricultural conservation programs, and marketing and commodity loans.

## INVESTIGATIONS

The major emphasis of our Farm Programs investigative strategy has been to investigate allegations of fraud. Our regional offices maintain a close working relationship with State ASCS offices to ensure timely referral of investigative matters and create an understanding of each agency's priorities, resources, and needs. At the headquarters level, our Program Investigations Division is responsible for maintaining liaison with the ASCS National Office, informing our regional offices of impending program changes, developing national guidelines for referral of investigative matters, and bringing to the attention of top agency managers program provisions that allow a potential for abuse.

Regarding ASCS programs, our major concern has traditionally been conversion of farm-stored commodities securing CCC loans. Due to the large number of referrals we receive in this area, our decision to open a case is based on several factors, including the likelihood of criminal prosecution or large civil recovery. We determine this in consultation with the

appropriate U.S. Attorney's office and Office of the General Counsel representatives. Matters which are not investigated are referred back to ASCS for appropriate administrative action.

In FY 1993 a significant number of investigative staff days will also be spent in three other areas: investigation of producers who have employed a "scheme or device" to circumvent payment limitations, investigation of false certifications made in order to obtain disaster assistance, and investigation of shortages of USDA-owned or USDA-mortgaged commodities in commercial warehouses.

Another area that we have considered in our FY 1993 plan is section 102 of the 1990 Farm Bill which contains penalties against people who collect excessive allowances for the processing of milk. OIG will investigate people alleged to have violated this section. Overall, we project that ASCS investigations will require approximately 15 percent of our FY 1993 investigative staff days, a slight increase from FY 1992.

## *MARKET DEVELOPMENT*

Our Market Development strategy covers the Department's broad mission of selling agricultural commodities with the purpose of increasing farm income. The Department is charged with integrating all programs related to marketing so that distribution costs may be reduced, the price spread between producer and consumer may be narrowed, and new and wider markets can be developed in the United States (U.S.) and foreign countries. To facilitate the marketing mission, USDA provides research in marketing, handling, storing, processing, transporting, and distributing agricultural products.

The major programs included in this strategy are the Export Enhancement, Export Credit Guarantee, Market Promotion, Public Law 480, Market News, Marketing Orders, Promotion Boards, and International Training Programs. To carry out the diverse programs, USDA works with State and foreign governments, producer groups, nonprofit commodity groups, agricultural processors, exporters, land grant institutions, county extension agents, and individual producers. Fourteen USDA agencies share in the market development responsibilities of the Department. Financing of the market development programs is provided by the annual USDA appropriations, matching funds, producer assessments, user fees and foreign import duties.

Program delivery systems involve subsidies, credit guarantees, long-term loans, magazines and reports, advertising, trade negotiations, quality standards, market regulating, grants and cooperative agreements, trade fairs, and international conferences. USDA's Foreign Trade Offices make potential foreign customers aware of U.S. farm products. In addition, the Alternative Agricultural Research and Commercialization Board, authorized by the Food Agriculture Conservation and Trade Act of 1990, facilitates research and marketing of agricultural products.

### **AUDIT**

During FY 1992 we audited the Export Credit Guarantee, Export Enhancement, and Market Promotion Programs. We also evaluated actions taken by CCC in managing debts incurred by foreign countries under the Public Law 480 and Export Credit Guarantee Programs. In addition, OIG noted that the Foreign Agricultural Service (FAS) does not require participants in the Public Law 480 Title I, Food for Progress, Section 416(b), and the Market Promotion Programs to obtain independent audit reports as a condition of program eligibility. We are continuing to work with the agency in evaluating the usefulness of non-Federal audits of selected FAS programs.



In FY 1993 we will continue coverage of domestic and foreign market development activities. New emphasis will be given to the Public Law 480 Title I Program. We will also evaluate the Section 416(b) Program and the assistance being provided by the Department to the Commonwealth of Independent States.

## INVESTIGATIONS

As the Department continues to place an increased emphasis on opening foreign markets and exporting agricultural commodities, OIG will need to maintain its investigative efforts in this area.

While the time devoted to FAS investigations in the first 9 months of FY 1992 was approximately 3 percent of available staff days, we anticipate that it will increase slightly in FY 1993, to approximately 4 percent. Our investigations focus on the Public Law 480 Program, the Export Enhancement Program, and the Export Credit Guarantee Program, and usually involve allegations of false certifications by U.S. exporters. Presently, OIG is conducting investigations into the activities of several large exporters in the U.S. These investigations into fraud in FAS programs are highly complex and often take several years to complete.

## ***DIRECT AND INSURED LOANS***

The two major direct and insured loan lenders in USDA are the Farmers Home Administration (FmHA) and the Rural Electrification Administration (REA). FmHA provides credit assistance through direct loans for farmer programs (operating, ownership, emergency, and other loans) and housing programs (single and multifamily housing loans). FmHA furnishes a variety of loans to farmers, secured by real estate, machinery, crops, or livestock; it also furnishes housing loans to individuals and real estate developers in rural areas. REA makes insured loans to rural electric cooperatives and rural telephone cooperatives and companies.

### **AUDIT**

Our Direct and Insured Loans strategy for FmHA will continue to focus on the agency's implementation of the debt restructuring provisions of the Agricultural Credit Act of 1987. Due to Congressional interest, we are also focusing on FmHA's Rural Rental Housing (RRH) Program, both for loanmaking and project operations. In addition, the strategy components include a review of FmHA's efforts to implement provisions of the Food, Agriculture, Conservation and Trade (FACT) Act of 1990. For REA, the Direct and Insured Loans strategy emphasizes loan making, loan servicing, and rate determinations.

In FY 1992 our audits found weaknesses in the process used by FmHA that allowed some borrowers to buy out their debts at net recovery value and to obtain subsequent Farmer Program loans within 1 year of the buyout. In the RRH Construction Program, we found that borrowers charged excessive costs and profits to RRH projects. This resulted in inflated loan amounts which significantly increased the Government's subsidy.

In FY 1993 we will continue to review writedowns and buyouts under the 1990 FACT Act. We will also conduct reviews in the areas of RRH loanmaking and project operations. We also plan to evaluate the impact of several 1990 FACT Act changes on REA's Telephone Program.

### **INVESTIGATIONS**

The largest number of loan fraud investigations involve unauthorized sale or disposition of Government-mortgaged property. Our strategy in FmHA farm loans is similar to our Farm Programs strategy. OIG regional offices maintain close coordination with FmHA State offices to ensure clear communication and prompt referral of investigative matters. Our

case-opening decisions are based on the likelihood of criminal prosecution or large civil recovery. Matters not meeting those criteria are referred back to FmHA for appropriate administrative action.

OIG continues to respond to allegations of fraud in the FmHA Rural Housing Program and RRH Program. Fraud in the Rural Housing Program is usually due to underreporting of income by borrowers. In the RRH Program, OIG's investigations have disclosed fraud in both the construction and operations phases of RRH projects. Fraud in the construction phase generally has involved inflation of construction costs or diversion of building materials to other projects. Fraud in the operations phase has involved conversion of reserve account funds or submission of false or inflated claims relating to the maintenance costs for the project. We anticipate continued work in this area in FY 1993.

We expect the overall number of FmHA referrals to remain steady during FY 1993. We plan to devote approximately 25 percent of our investigative staff days to the FmHA programs.

Most of our REA investigations have focused on borrowers who either embezzled loan funds, diverted them, or inflated construction costs to receive additional loans. We receive a relatively small number of investigative referrals from REA each year, and expect the percentage of OIG staff days devoted to REA investigations to remain at approximately 1 percent in FY 1993.

## ***GUARANTEED LOANS***

FmHA guarantees up to 90 percent of the loans private lenders make to Farmer Program borrowers. In FY 1984 FmHA began emphasizing guaranteed farm operating and ownership loans to reduce outlays and better its direct loan portfolio. The Food Security Act of 1985 and subsequent appropriations legislation supported FmHA's shift to guaranteed farm loans. REA's Guaranteed Loan Program was established in 1973 and authorized REA to guarantee loans made by the Federal Financing Bank of the U.S. Treasury to generation and transmission cooperatives.

### **AUDIT**

Our Guaranteed Loans strategy addresses the adequacy of the loan-making and loan-servicing processes. Appropriations have been provided for several new guaranteed loan initiatives and existing programs have been expanded. Reviews of guaranteed loans are complex because the actions of the USDA agency, the private lender, and the borrower must be assessed.

In FY 1992 we performed a nationwide review to analyze the causes of losses on Farmer Program guaranteed loans. Of the \$26 million in claims paid to lenders in 1990, we reviewed \$8.1 million in loss claims and questioned over \$1.8 million (22 percent) of the claims paid because of improper lender practices. In addition, we initiated an audit of the Interest Assistance (IA) Program for guaranteed Farmer Program loans. The survey disclosed that controls over guaranteed loan processing were not functioning adequately to ensure that IA benefits were provided only to eligible borrowers, and that lenders complied with applicable laws and regulations.

In FY 1993 we will review the Approved Lender Program and the reasonableness of interest rates charged to guaranteed loan borrowers, and continue on-going work in the area of debt restructuring of Farmer Program guaranteed loans.



## ***RURAL DEVELOPMENT***

The Rural Development Administration (RDA), which was established by the Food, Agriculture, Conservation and Trade Act of 1990, makes direct and guaranteed loans to promote economic development in rural areas by financing community facilities and assisting business development. RDA currently has several programs in place that share the common objective of spurring economic growth in rural areas. Among them are the Nonprofit National Corporation Loan and Grant Program, the Industrial Development Grant Program, the Intermediary Re-lending Program, and the Business and Industry (B&I) Loan Program. In addition, REA was granted statutory authority in 1987 to make zero-interest loans and grants to borrowers for the purpose of promoting rural economic development and job creation projects.

Our Rural Development strategy concentrates on the RDA. Our objectives are to determine whether program requirements are met, funds are properly spent, and opportunities for economy and efficiency exist.

### **AUDIT**

In FY 1992 we performed several audits of B&I loans to assess the adequacy of the lenders' servicing. Our audits disclosed that lenders were negligent in their loan-servicing actions, which increased the potential for loss to RDA should the borrowers default on their guaranteed loans.

In FY 1993 we will initiate a review of the implementation of the RDA because of vulnerabilities associated with new program activity. We will also review B&I loan liquidations. In REA, we plan to conduct a review of the Rural Economic Development Loan and Grant Program.



## *INSURANCE*

The Federal Crop Insurance Corporation (FCIC) is a wholly-owned Government corporation created to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance. FCIC was created by the Federal Crop Insurance Act in 1938 to directly insure selected crops in certain counties. The 1980 amendment to the act substantially revised the crop insurance program by expanding the coverage, authorizing the use of private insurance companies to sell and service policies, increasing coverage levels, and providing for a reinsurance program. FCIC uses a dual delivery system to provide insurance coverage to producers. Eighty-nine percent of the policies are sold by private insurance companies reinsured by FCIC, and 11 percent are sold by vendors under contract to FCIC.

Under the Federal Crop Insurance Act amendment of 1980, premium rates were to be set so that, over time, the subsidized premium would be sufficient to cover indemnity costs and provide for a reserve. The program was to be actuarially sound. Although program changes were also designed to increase participation, participation has never reached the 50-percent targeted level. In 1990 FCIC achieved the highest farmer participation since the inception of the program. That year, FCIC provided nearly \$13 billion of protection on over 900,000 policies. Those policies provided coverage on over 100 million acres, or approximately 40 percent of the insurable acres nationwide. Indemnity claims have exceeded premiums every year. In 1991 FCIC paid over \$900 million to farmers for indemnity claims on insured crops. FCIC's 1991 accumulated deficit amounted to \$4.4 billion.

### **AUDIT**

In FY 1992 we reviewed FCIC's handling of selected specialty crops with large indemnity claims and 1988 and 1989 soybean losses in three Arkansas counties. Our audits in this "high risk" area continued to find problems with the servicing of policies by insurance agents and the adjusting of claims by loss adjusters.

During FY 1993 we will determine if crop year 1991 loss adjustments were accurate, if ADP systems can be better used to identify problem producers, and if FCIC's controls over reinsured companies will ensure a reasonable sharing of underwriting gains and losses.

## *ENTITLEMENT PROGRAMS*

The Food and Nutrition Service (FNS) administers three major entitlement programs which will account for approximately \$32.7 billion in expected expenditures in FY 1993: the Food Stamp Program (FSP); the Child Nutrition Programs (CNP); and the Supplemental Food Program for Women, Infants and Children (WIC). All are administered by the States through agreements with FNS. The States, in turn, negotiate with county and project offices to deliver program benefits.

### **AUDIT**

Our audit strategy is to focus on FNS' overall administration of the agency and its programs, the adequacy of controls and systems used to manage the programs, and the effectiveness of audits performed under the Single Audit Act (Office of Management and Budget (OMB) Circulars A-133, A-128 and A-110).

In FY 1992 our audits focused primarily on the FSP since it is the largest of the entitlement programs. We continued to evaluate FNS' oversight of retail stores operating in the FSP. We also began a review of FNS' management of State error-rate reduction systems to reduce overpayments exceeding \$1 billion, as identified by quality control reviews. In addition, we evaluated the establishment of payment error rates under the FSP Quality Control Program, as well as the effectiveness of single audits in the National School Lunch Program (NSLP).

Since the FNS programs have large cash outlays, the potential for fraud and large dollar losses exists. In FY 1993 we will continue to emphasize audits of FNS programs, particularly the FSP, to determine if certain checks are in place to ensure the most efficient, effective, and economical operation possible. Major audits planned will include a continuation of our reviews of retailers who participate in the FSP, since this has been identified as a "high risk" area, and FSP error-rate reduction activities. We also plan audits of the security and accountability of FSP coupons during their printing, FSP food coupon mail distribution systems, the FSP electronic benefit transfer (EBT) initiative, and the newly implemented bank-monitoring system.

In WIC, CNP, and the NSLP we will perform several audits which will focus on administrative costs, FNS oversight, vendor compliance, and program accountability. We will also continue our work to evaluate the effectiveness of single audits in the NSLP.

## INVESTIGATIONS

OIG's investigations in the FSP focus on fraud by retailers authorized to accept food stamps and on "food stamp trafficking," the unauthorized acquisition of food stamps in exchange for cash and other nonfood items and their use as a "second currency" by persons not authorized to participate in the FSP.

In FY 1993 we will continue to concentrate our resources in these two areas of investigation. Since the authorized retailer is the principal figure in the eventual redemption of illegally obtained food stamps, we will continue our participation in a project with the FNS compliance branch to increase the investigative resources devoted to the discovery and investigation of "high redeemer/low volume" retailers (e.g., FNS-authorized firms whose food stamp redemptions are consistently larger than their reported gross food sales). FNS has estimated that almost 25 percent of all authorized retailers may be selling nonfood items for food stamps. We will also continue to investigate unauthorized retailers, particularly those disqualified from the FSP for serious violations, who continue to accept food stamps in willful disregard of program regulations.

The FNS has several demonstration projects that use EBT. We believe that EBT will reduce fraud, mail loss, and misuse of benefits. We have completed one investigation and are assessing the vulnerabilities of issuance alternatives. In addition, we will continue to conduct food stamp investigations jointly with other Federal, State, and local law enforcement authorities. This will provide more effective use of limited investigative resources, as well as improved intelligence gathering.

In FY 1993 the time dedicated to FSP investigations will remain at about 35 percent of our available staff days, and the total time devoted to FNS programs will be about 40 percent.



## *CONSUMER PROTECTION*

Consumer protection activities within the Department include those activities designed to ensure that the food the consumer eats is safe and properly labeled and graded, and that the nation's plant and animal resources are safeguarded. These activities are performed by the Food Safety and Inspection Service (FSIS), the Agricultural Marketing Service (AMS), the Federal Grain Inspection Service (FGIS), the Animal and Plant Health Inspection Service (APHIS), and the Packers and Stockyards Administration. They include in-plant inspections of all domestic establishments preparing meat and poultry products for sale or distribution; review of foreign inspection systems and establishments; inspection and quarantine of animals and plants at U.S. ports-of-entry; control of agricultural losses caused by predatory animals; developing standards for licensing and testing veterinary biologics; establishing grading standards for eggs, tobacco, livestock, dairy, poultry, fruits, vegetables, and grain; and performing weighing and inspection services to ensure the standards are met. The public depends upon these agencies to ensure a safe food supply; farmers depend upon these agencies to protect agricultural resources and maintain consumer confidence in the market for their products.

### **AUDIT**

Our FY 1992 plan included an audit of APHIS' implementation of the Animal Welfare Act. We also conducted audits of AMS' oversight of the compliance activities of marketing order administrative committees, AMS monitoring of retailer compliance, the administrative costs of APHIS' medfly eradication program in California, and several USDA agencies' compliance with domestic commodity origin requirements.

Food safety and consumer protection will continue to receive widespread attention; therefore, our FY 1993 plan includes major audits or surveys in AMS, APHIS, and FSIS. In AMS we will continue to review agency oversight of marketing order administration, the Pesticide Data Program, and the inspection and grading of fruits and vegetables. In APHIS we will continue reviewing cooperative agreements and the establishment of user fees for the Agricultural Quarantine Inspection Program. We also plan to audit APHIS' procedures for controlling salmonella enteritidis. In FSIS we will evaluate the adequacy of controls over microbiological safety, international programs, domestic quality control programs, and agency oversight of the State meat and poultry inspection systems.



## INVESTIGATIONS

Investigations into threats to the health and safety of the public remains OIG's highest priority. When threats to public health are identified, such as allegations of tampering with products regulated by the Department, OIG immediately goes to work as part of a team of USDA agencies to determine the extent of the problem, identify its cause, take corrective action, and seek criminal prosecution, if appropriate.

On a day-to-day basis, we continue to work in close coordination with other USDA agencies to guard against deliberate criminal acts that endanger the health and safety of the public or cause economic harm to the public through misrepresentation of the quality of agricultural products. In order to carry out this function, we have formal agreements with FSIS, AMS, FGIS, and APHIS, as well as with the regulatory division of the Office of the General Counsel.

### Food and Consumer Products

Within the Department, there has been increased investigative activity associated with economic impact cases - i.e., adulterated or substandard products offered for Federal purchase (National School Lunch Program and price stabilization programs), forgery or adulteration of official certificates (misrepresentation of product), mislabeling of product, etc. Our commitment of resources in these types of investigations will be 7 percent (AMS, FSIS combined) in FY 1993.

### Animal and Plant Health Protection

Since FY 1990 we have worked closely with APHIS to provide resources to investigate smuggling incidents involving plants or animals that may expose the nation's food supply to disease or plant pests. Our investigative efforts in the area of animal and plant health protection are continuing, with an increased emphasis on the investigation of allegations of smuggling of animals and plants.

We are currently conducting investigations into the illegal importation of exotic birds and rare and endangered species, and violations of animal quarantine regulations. We see our commitment of resources in these types of investigations remaining at about 2 percent of our staff time in FY 1993.

## ***FOREST SERVICE***

The Forest Service (FS) is responsible for applying sound conservation practices to the natural resources of the national forests and grasslands. The national forest system covers 191 million acres of public lands and is administered by the FS through 9 regional offices, 156 national forests, 617 ranger district offices, and 19 national grasslands located in 44 States, Puerto Rico, and the Virgin Islands. FS operational activities are numerous and diverse, encompassing the management of timber sales, fish and wildlife habitat enhancement, recreational sites, firefighting and protection, cooperation with State and local government and private forest landowners, and forest and rangeland research. The FS' FY 1993 budget is estimated at \$3.4 billion, and timber sales and other receipts are estimated to be about \$1.3 billion.

### **AUDIT**

Our Forest Service strategy concentrates on timber administration, including the sales process, timber appraisal and valuation, timber theft, timber exports, contract administration, and the bidding and payment process. We will also give emphasis to road construction and maintenance, land acquisition and exchange, State and private forestry, minerals management, construction, and recreation.

In FY 1992 our audits covered timber sales, State and private forestry, aircraft management, minerals management, special permits for ski areas, timber cruising and skewed bidding, and the Historic Aircraft Exchange Program.

For FY 1993 we have planned an audit of FS timber-theft prevention activities in Regions 5, 6, and 8. We also plan to audit the use of third-party scalers in the timber sales process, and the road construction area to include purchaser credits and maintenance. Additional audit effort is planned in the areas of land acquisitions, oil and gas activities, and airtanker contracting procedures.

## *MANAGEMENT/CONTROL OF ENVIRONMENTAL HAZARDS*

This strategy brings together a wide range of agency programs and operations under a general concern for the protection of the environment and the abatement of environmental hazards that result from practices in agriculture and forestry. The estimated FY 1993 appropriation for environmental protection activities exceeds \$236 million.

Agencies of the Federal Government are required to identify and remedy their noncompliance with Federal, State, and local standards for environmental quality. Noncompliance could include pollution from noise, pesticides, chemicals, and toxic and radioactive waste. USDA operates over 21,000 buildings at more than 15,000 locations and controls nearly 193 million acres of land. Violations of Federal or State standards at Government-owned or operated facilities subject agencies to legal and administrative action that may result in criminal prosecution of Federal employees. USDA works together with the U.S. Environmental Protection Agency to schedule problem areas for remedial action. These plans are coordinated and presented as a single funding item under the budget for departmental administration. Major areas of funding are associated with action to remedy the leakage from underground storage tanks and seepage from abandoned mines.

The Department's response to water quality issues is a collection of programs which focus on soil conservation and surface water contamination. These efforts are coordinated through an interagency committee on water quality whose purpose is to ensure the relevance of planned activity to the overall objective of fostering environmentally sound farming practices. In FY 1992 the Department's 5-year plan will complete the final year of its first cycle with an extensive review to assess performance and redirect its activities. USDA has organized a complex network of interaction to promote better coordination among USDA agencies and between the Department and other Federal, State, and local agencies.

Other organized programs under this strategy represent USDA's application of the National Environmental Protection Act and related Federal legislation to specific agricultural fields, like pesticides, biotechnology, and agricultural chemicals. Also within the scope of this strategy are the health and safety programs of individual agencies that try to reduce risk from environmental hazards to USDA employees working at Government-owned or operated facilities.

## AUDIT

During FY 1992 we completed four audits of the implementation of corrective actions to control hazardous materials and waste at facilities owned and managed by USDA agencies. We also reviewed the implications of hazardous waste cleanup requirements on FmHA's management of inventory property and the agency's use of interagency agreements to obtain technical resources for site assessment and cleanup.

In FY 1993 we will review the environmental and safety programs related to radiological and biological hazards at agency laboratories and assess the status of Polychlorinated biphenyl (PCB's) removal from departmental facilities.



## *RESEARCH AND TECHNOLOGY TRANSFER*

USDA coordinates Federal, State, and private investments in the application of new and improved technologies to agricultural and forestry needs. The USDA research agencies, which include the Agricultural Research Service, the Cooperative State Research Service (CSRS), the Economic Research Service, and the Forest Service, contribute to the expansion of knowledge in the agricultural and related sciences.

The Extension Service and the National Agricultural Library support the distribution of the latest technology and information on food and fiber production, rural life and development, nutrition, alternative products, and processing and marketing. Estimated funding for research and technology transfer exceeds \$1.7 billion for FY 1993.

### **AUDIT**

Our Research and Technology Transfer strategy focuses on Department compliance with statutory performance standards and objectives, the management and efficiency of alternative delivery systems, and the effectiveness of research practices.

In FY 1992 we assessed the adequacy of CSRS controls over funds appropriated to support cooperative research efforts at land grant and other institutions. We also evaluated CSRS' management of the Department's Small Business Innovative Research Program.

In FY 1993 we will continue our review of CSRS' efforts to identify and coordinate national research priorities. We will also evaluate the peer review selection process of the Small Business Innovative Research Program and conduct a survey of research of alternative agricultural products used in biofuels production and use.

## *PROCUREMENT AND CONTRACTS*

Procurement of goods and services to support agency operations within USDA totals almost \$2.2 billion annually. The range of procurement and contracting is broad and includes advisory and assistance services; purchases of meat, poultry, and fish; and printing and distribution of food stamp coupons. Governmentwide policy is provided by the OMB's Office of Federal Procurement Policy. Within USDA, the Office of Operations provides oversight for departmental procurement and contracting functions. The National Finance Center performs the accounting and payment functions for most agency procurements.

### **AUDIT**

During FY 1992 we performed audits of contracts to assist USDA contracting officers in the negotiation, administration, and settlement of USDA contracts and subcontracts. We also conducted two legislatively mandated reviews, as required by Title 31 U.S.C. 114(b) and Title 31 U.S.C. 1352. These reviews included an evaluation of management controls over contracted advisory and assistance services, the integrity of the data reported to the Federal Procurement Data System, and actions taken by the Department and select USDA agencies to comply with the requirements and prohibitions related to lobbying for Federal awards.

In FY 1993 we will continue the legislatively mandated reviews and the contract audits of pricing proposals, incurred costs, and contractor claims. We also plan to conduct audits of various aspects of the award and administration of contracts within USDA.

## ***ACCOUNTING AND FINANCIAL MANAGEMENT***

The requirements of the Chief Financial Officers' Act of 1990 are addressed under the Accounting and Financial Management strategy. The act designated the Department as part of the pilot program to prepare and audit financial statements beginning with the FY 1990 statements. Financial statements were prepared covering all departmental activities, including all revolving and trust funds and programs which perform substantial commercial functions. The strategy also encompasses departmental cash and debt management, accounting and financial management systems, and the responsibilities of OFM. OFM provides departmental leadership for the development and maintenance of accounting and financial management systems and assists USDA agencies in ensuring that cash and debt management practices are efficient. OFM also provides central accounting services through the central accounting system at its National Finance Center (NFC), and maintains accounting records for various agencies of the Department. OFM's NFC also provides administrative services and maintains administrative accounting for USDA agencies. In addition, OFM's NFC provides services to over 30 agencies and departments outside USDA.

In its FY 1991 financial statements, the Department reported total assets of over \$143 billion and total liabilities of over \$145 billion. Six departmental agencies and corporations, FmHA, CCC, REA, FS, FNS, and FCIC, account for more than 95 percent of each of these totals. Other account balances in the FY 1991 financial statements included over \$87 billion in net loans receivable, \$125 billion in long-term debt owed by USDA, and interest expenses of \$11 billion. The central accounting system and five other accounting/financial management systems in the Department (FmHA, CCC, REA, FNS, and FCIC) provide accounting control over all transactions processed in USDA. These systems also provide financial reports to agency managers as well as to nondepartmental entities. The systems are maintained on large-scale computers at either the USDA National Computer Center or OFM's NFC.

### **AUDIT**

In FY 1992 we performed or provided oversight on audits of FmHA, CCC, FS, FNS, FCIC, and the consolidated USDA FY 1991 financial statements. We also audited claims processing in ASCS/CCC, controls over OFM's NFC general ledger adjustments, management of OFM's working capital fund, and corrective actions taken on prior audit recommendations by OFM's NFC.

In FY 1993 we plan to audit the six major agency and corporation financial statements, as well as the consolidated USDA financial statements. Other audits are planned in the areas of Office of International Cooperation and Development financial management, OFM's NFC Government Transportation System, and USDA revolving funds.



## *AUTOMATED DATA PROCESSING (ADP) SYSTEMS*

USDA and its agencies own and manage a wide range of automated resources. These resources, valued in the millions of dollars, provide essential support for the diverse administrative and program functions throughout the Department.

Most mainframe computer operations are located in the National Computer Center (NCC) in Kansas City, Missouri, with a satellite operation in Fort Collins, Colorado, and in the National Finance Center (NFC) in New Orleans, Louisiana. The NCC provides departmentwide processing, storage, telecommunications, and applications development services. The NFC operates centralized accounting, payroll/personnel, and administrative payment systems for USDA and more than 30 other Federal departments and agencies.

Within the various USDA agencies, there has been a steady growth in the acquisition and use of state-of-the-art computer resources and capabilities. Large investments have been made in minicomputers and personal computers used as both standalone equipment and linked together in nationwide and local area computer networks. The U.S. Congress and various internal and external audit and oversight groups have questioned the integrity of the planning and acquisition of these automated resources, the adequacy of security and control over these widely dispersed resources, and the compatibility of the hardware and software being put in place.

This strategy highlights USDA's significant investment in automated resources, the importance of careful planning to ensure that the resources acquired are needed and prudently obtained, and the importance of designing and implementing effective security and control measures.

### **AUDIT**

Most audit findings continue to be in the area of security and control. For example we found an inadequate general control environment at the NFC that does not comply with applicable Federal requirements. We also found inadequate login identification and password controls to prevent access to systems by unauthorized users. As unauthorized users, auditors successfully penetrated networked computer systems in three agencies during the past year. We also reported weaknesses in the acquisition of computer resources; we identified the need to prepare adequate cost analyses and requirements justifications, and we recommended greater effort be made to obtain internal and external approvals.

In FY 1992 we completed audits of the security and control over distributed processing systems in FmHA, FCIC and the Soil Conservation Service, including attempts at unauthorized system access, USDA's technical approval process for major computer acquisitions, selected aspects of security and control at the Department's major computer centers, and FmHA's planning and acquisition process for a major computer buy. We also reviewed NFC's general controls and continued to monitor the development of the departmentwide modernization of the administrative payment systems at NFC.

In FY 1993 we will continue to monitor the development of the modernization project at NFC and perform a followup review of general controls at NFC. We also plan to review the management and security of the National Agricultural Statistics Service's local area networks and crop forecasting data, the processing of sensitive data, general controls at the NCC, the automated time and attendance system at the NFC, FTS 2000 billings security and usage, security over the USDA Easy Access initiatives, ADP planning and budgeting, and security and controls over ASCS' distributed processing.

## ***EMPLOYEE INTEGRITY***

The integrity of USDA personnel is essential to maintain the public's confidence that tax dollars and resources are adequately protected. A myriad of laws, Executive Orders, and regulations prescribe what is expected of public servants before, during, and after Government employment. During employment, public servants are held to high ethical standards, including prohibitions against acceptance of gifts and gratuities, private compensation, and the appearance of a conflict of interest. Certain prohibitions also apply after an employee leaves the Government. For example, the Federal Procurement Policy Act (Title 41 U.S.C. 23) imposes a 2-year restriction prohibiting individuals from representing a contractor in the negotiation or performance of a contract if that individual was personally and substantially involved in either the negotiation or review and approval of that same contract as a Government representative.

### **AUDIT**

In FY 1993 we will evaluate whether agencies have developed adequate controls to ensure that employees adhere to Executive Order 12731, "Principles of Ethical Conduct for Government Officers and Employees," and the Government Ethics Reform Act of 1989. We will also follow up on corrective actions taken in response to prior audit recommendations.

### **INVESTIGATIONS**

The prompt investigation of allegations involving the integrity of USDA employees continues to be a high priority of the Department and OIG. We have made a significant commitment to ensure investigations involving employee misconduct are handled expeditiously. Employee misconduct most often involves allegations of conflict of interest, embezzlement, and bribery. OIG attempts to resolve allegations of employee misconduct promptly in order that the agencies involved may proceed with appropriate administrative action.

In the first 9 months of FY 1992, approximately 7 percent of available workdays were devoted to employee misconduct investigations. Investigative activity in this area is expected to remain at approximately this level in FY 1993.



## *PROGRAM COMPLIANCE, ECONOMY, AND EFFICIENCY*

The Program Compliance, Economy, and Efficiency strategy includes all programs and activities not included in other strategic areas. It includes special requests, audit followup, single audits of State and local governments, and the quality of audits performed by non-Federal auditors. It also includes audits and investigations of organizations such as the Soil Conservation Service (SCS), Office of Operations, and National Agricultural Statistics Service, when the audit area is not included in another strategy.

### **AUDIT**

During any year, issues develop which we cannot anticipate during the planning process. These issues usually develop from Secretarial, agency, Congressional, or OIG concerns regarding fraud, waste, or mismanagement. In order to respond to these concerns, OIG reserves time for any unanticipated requests.

We also set aside time in our plan to monitor the management decisions made for audit recommendations presented in our audit reports. The purpose of management decisions is to ensure that we and the auditee agree on the actions to be taken to correct deficiencies. Once we agree with the management decision, management is responsible for implementing final actions. Final actions are monitored and tracked by OFM.

Our plan also includes time for ensuring the quality of audits performed by non-Federal auditors in accordance with OMB Circulars A-128 and A-133, as well as those submitted to USDA agencies under program-specific requirements. During the past 2 years, we have increased our emphasis on the quality of audits by certified public accountants for USDA programs. When substandard audit work is identified, we refer the independent auditor to the State Board of Licensing Authorities and the American Institute of Certified Public Accountants. We plan to continue this work in FY 1993.

In SCS we will evaluate the Great Plains Conservation Program and alternative conservation systems, as well as determine if conservation compliance procedures have been strengthened in response to prior audit recommendations.



## APPENDIX II

### MAJOR AUDITS PLANNED FOR FISCAL YEAR 1993



## MAJOR AUDITS PLANNED FOR FISCAL YEAR 1993

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Below are brief descriptions of major audits planned for FY 1993. A list of all audits planned for FY 1993 is provided in Appendix III.

INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS
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### Agricultural Stabilization and Conservation Service (ASCS)

<b>TITLE</b>	Security and Controls Over Distributed Processing
<b>OBJECTIVE(S)</b>	Determine if adequate security and controls are in place to ensure that only authorized transactions are processed and recorded in the agency's local and national accounting systems. Determine if system enhancements are functioning as intended to improve data handling and processing.
<b>TITLE</b>	Maximum Payment Limitation - 1992
<b>OBJECTIVE(S)</b>	Determine if selected large producers complied with their farm operating plans. Identify control weaknesses over payments and schemes or devices used to evade payment limitation rules.
<b>TITLE</b>	1990-1991 Disaster Assistance Payments for Nonprogram Crops
<b>OBJECTIVE(S)</b>	Determine if disaster payments for nonprogram crops were calculated using proper yields and rates. Determine if producers submitted adequate documentation to support the claimed disaster and producers reported all harvested production to ASCS.

**TITLE** Agricultural Conservation Program and Conservation Reserve Program

**OBJECTIVE(S)** Determine if procedures and controls are adequate to ensure that funds are used timely and for critical conservation needs, flat cost-share rates are based on average costs, and long-term practices are continued when producers lose control of the land on which the practices are located or unearned cost shares are recovered.

**TITLE** Marketing Loan Program Objectives and Accomplishments

**OBJECTIVE(S)** Determine if marketing loan and loan deficiency programs have accomplished their intended objectives and whether program costs were justified when program accomplishments were evaluated.

**TITLE** Commodity Loans and Farmer-Owned Reserve

**OBJECTIVE(S)** Determine if policies for making and servicing loans are adequate and effective and if borrowers are eligible and have sufficient collateral to secure the loans.

**TITLE** FY 1992 CCC Financial Statements

**OBJECTIVE(S)** Determine if CCC's financial statements are fairly presented in accordance with generally accepted accounting principles, if internal accounting controls are adequate, and if CCC complies with laws and regulations.

#### Foreign Agricultural Service (FAS)

**TITLE** Reimbursement Process for the Market Promotion Program

**OBJECTIVE(S)** Determine if internal controls are in place to ensure that only allowable program expenses are reimbursed. Determine how FAS personnel review and evaluate the adequacy of claim information submitted by program participants.



<b>TITLE</b>	Commodity Origin for FAS Programs
<b>OBJECTIVE(S)</b>	Examine the exporter's controls for ensuring that only domestic origin commodities are being exported under the various CCC programs.
<b>TITLE</b>	Support for East European Democracies Act of 1989
<b>OBJECTIVE(S)</b>	Evaluate program controls over the food aid agreements with the Government of Poland and other USDA-funded assistance provided to East European Democracies.
<b>TITLE</b>	Public Law 480 Title I Program
<b>OBJECTIVE(S)</b>	Determine if strong internal control measures are in place for the Public Law 480 Title I Program. Review the implementation of the program provision required by the Food, Agriculture, Conservation, and Trade Act of 1990.
<b>TITLE</b>	Evaluation of Foreign Bank Financial Risk
<b>OBJECTIVE(S)</b>	Evaluate the CCC's methodology for assessing financial risk of foreign banks participating in the Export Credit Guarantee Program.
<b>TITLE</b>	Section 416(b) Program
<b>OBJECTIVE(S)</b>	Determine if the program is being operated in accordance with applicable legislation and regulations. Evaluate internal control systems and program documentation.

#### Office of International Cooperation and Development (OICD)

<b>TITLE</b>	OICD Financial Management
<b>OBJECTIVE(S)</b>	Determine the adequacy of OICD financial management operations and follow up on recommendations from the FY 1990 audit.

SMALL COMMUNITY AND RURAL DEVELOPMENT
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**Federal Crop Insurance Corporation (FCIC)**

**TITLE** FY 1992 FCIC Financial Statements

**OBJECTIVE(S)** Determine if FCIC's financial statements are fairly presented in accordance with generally accepted accounting principles, if internal accounting controls are adequate, and if FCIC complies with laws and regulations.

**TITLE** Actuarial Soundness of Expanded Crop Insurance Programs

**OBJECTIVE(S)** Evaluate the actuarial soundness of expanded crop insurance programs, including nonprogram crops.

**TITLE** Reinsurance Program

**OBJECTIVE(S)** Determine if FCIC's controls over reinsured companies are adequate to ensure a reasonable sharing of underwriting gains and losses.

**TITLE** Reinsured Companies Controls Over the Actual Production History (APH) Process

**OBJECTIVE(S)** Determine whether company controls over the APH determination and review process is adequate to provide reasonable assurance of accuracy.

**TITLE** Fraud Detection in Crop Insurance

**OBJECTIVE(S)** Analyze existing ADP systems to assist in the identification of producers who may have defrauded FCIC.

<b>TITLE</b>	Crop Year 1991 Claims
<b>OBJECTIVE(S)</b>	Evaluate crop year 1991 loss adjustment activities to determine if improvement has been made in adjusting claims.

#### **Farmers Home Administration (FmHA)**

<b>TITLE</b>	Followup on Information Resource Management (IRM) Related Activities
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<b>OBJECTIVE(S)</b>	Evaluate the progress FmHA has made to improve its IRM planning and acquisition process.
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<b>TITLE</b>	FY 1992 FmHA Financial Statements
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<b>OBJECTIVE(S)</b>	Determine if FmHA's financial statements are fairly presented in accordance with generally accepted accounting principles, if internal accounting controls are adequate, and if FmHA complies with laws and regulations.
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<b>TITLE</b>	Interest Assistance Program and IRBD/IA Payments - FY 1991-1992
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<b>OBJECTIVE(S)</b>	Review and evaluate FmHA's implementation of the guaranteed loan Interest Assistance Program.
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<b>TITLE</b>	Limited Resource Loans
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<b>OBJECTIVE(S)</b>	Determine whether FmHA's controls over limited resource loanmaking are adequate.
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<b>TITLE</b>	Unauthorized Use of Inventory Farm Properties
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<b>OBJECTIVE(S)</b>	Evaluate corrective actions taken on prior audit recommendations to preclude unauthorized uses of Government property.
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<b>TITLE</b>	FmHA Debt Collection Procedures
<b>OBJECTIVE(S)</b>	Determine if FmHA's debt collection procedures and efforts regarding the referral of delinquent debts for litigation are effective. In addition, determine if the agency's process over foreclosures is adequate.
<b>TITLE</b>	Administrative Appeals
<b>OBJECTIVE(S)</b>	Evaluate corrective actions taken by the national appeals staff on prior audit recommendations.
<b>TITLE</b>	Recapture of Interest Credit Subsidies
<b>OBJECTIVE(S)</b>	Evaluate the effectiveness of the interest-credit provision of the Rural Housing Loan Program.
<b>TITLE</b>	Justification for Rural Rental Housing Projects
<b>OBJECTIVE(S)</b>	Determine if controls over the loan application and approval process are adequate.
<b>TITLE</b>	Deferred Mortgage Payment Program
<b>OBJECTIVE(S)</b>	Evaluate FmHA's implementation of controls over the Deferred Mortgage Payment Program.
<b>TITLE</b>	Management of Rural Rental Housing (RRH) Projects
<b>OBJECTIVE(S)</b>	Determine if multi-State borrowers and developers who have formed management companies to operate RRH projects are charging costs in compliance with laws and regulations.
<b>TITLE</b>	Writedowns and Buyouts Under the 1990 Food, Agriculture, Conservation and Trade (FACT) Act
<b>OBJECTIVE(S)</b>	Evaluate controls over the debt-restructuring program as revised by the 1990 FACT Act.



<b>TITLE</b>	Debt Restructuring of Farmer Program Guaranteed Loans
<b>OBJECTIVE(S)</b>	Assess restructuring activity to determine if excessive losses were provided to lenders.
<b>TITLE</b>	Approved Lender Program and Interest Rate Review for Guaranteed Loans
<b>OBJECTIVE(S)</b>	Determine if the Approved Lender Program is fulfilling the program's objectives and if interest rates charged to borrowers by lenders are reasonable.
<b>TITLE</b>	Accountability of the Protective Advance Fund by the Master Servicer
<b>OBJECTIVE(S)</b>	Determine if the Master Servicer is properly accounting for the funds.

#### **Rural Electrification Administration (REA)**

<b>TITLE</b>	FY 1992 REA/Rural Telephone Bank (RTB) Financial Statements
<b>OBJECTIVE(S)</b>	Determine if REA/RTB's financial statements are fairly presented in accordance with generally accepted accounting principles, if internal accounting controls are adequate, and if REA/RTB complies with laws and regulations.
<b>TITLE</b>	Telephone Loan Program
<b>OBJECTIVE(S)</b>	Determine the impact of changes to the Telephone Program resulting from the 1990 Farm Bill on REA loan activity.
<b>TITLE</b>	Rural Economic Development Loan and Grant Program
<b>OBJECTIVE(S)</b>	Evaluate the adequacy of administrative controls over the Rural Economic Development Loan and Grant Program.

## Rural Development Administration (RDA)

**TITLE** Business and Industry Loan Program Liquidations

**OBJECTIVE(S)** Determine if lenders have submitted proper loss claims.

**TITLE** Business and Industry (B&I) Loan Servicing - FDIC and RTC

**OBJECTIVE(S)** Identify and evaluate controls established by FmHA to ensure adequate loan servicing actions by FDIC and RTC on guaranteed B&I loans.

<b>ECONOMICS</b>
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## National Agricultural Statistics Service (NASS)

**TITLE** Management and Security Over Local Area Networks and Statistical Forecasting Data

**OBJECTIVE(S)** Determine if adequate physical, management, and telecommunications controls have been installed to prevent unauthorized access to and use of sensitive data and to detect attempts to access such data.

## ADMINISTRATION

### Office of Finance and Management (OFM)

**TITLE** USDA's Administrative Integrated Management System (AIMS) Project

**OBJECTIVE(S)** Maintain familiarity with the AIMS project system design, development, and pilot testing. Determine OFM's progress in meeting project timeframes and estimated costs, and adhering to project evaluation criteria.

**TITLE** National Finance Center (NFC) FY 1993 General Controls Review

**OBJECTIVE(S)** Determine if the general controls at NFC provide reasonable assurance that data is processed properly.

**TITLE** NFC Automated Time and Attendance System

**OBJECTIVE(S)** Determine if the controls over the automated time and attendance (T&A) system, PC-TARE, are adequate to ensure the accurate, proper, and timely recording of T&A data by NFC, and by agencies entering the data from remote locations.

**TITLE** Review of NFC Government Transportation System (GVTS)

**OBJECTIVE(S)** Determine if GVTS processing controls are adequate to ensure the accuracy of payments and if reports generated from the system are adequate for monitoring payment activity.

## Office of Information Resources Management (OIRM)

**TITLE** Security Review of FmHA's Automated Production Control System CA-7

**OBJECTIVE(S)** Determine if CA-7, operated by the National Computer Center in Kansas City, is properly controlled and secured, and if audit trails or security exception reports exist which adequately identify changes or unauthorized access attempts through CA-7.

**TITLE** National Computer Center (NCC) FY 1992 General Controls Review

**OBJECTIVE(S)** Determine if the general controls at the NCC provide reasonable assurance that data is processed properly.

## Office of Personnel

**TITLE** Implementation of Executive Order 12731 and the Government Ethics Reform Act of 1989

**OBJECTIVE(S)** Determine if USDA agencies have developed adequate control systems to ensure that employees adhere to Executive Order 12731 and the Government Ethics Reform Act of 1989.

## FOOD AND CONSUMER SERVICES

### Food and Nutrition Service (FNS)

**TITLE** FY 1992 FNS Financial Statements

**OBJECTIVE(S)** Determine if FNS' financial statements are fairly presented in accordance with generally accepted accounting principles, if internal accounting controls are adequate, and if FNS complies with laws and regulations.



<b>TITLE</b>	Food Stamp Program (FSP) Retailer Verification
<b>OBJECTIVE(S)</b>	Evaluate vendor compliance with the reauthorization process to update sales and other vendor profile information. Continue our joint work with Investigations to identify stores trafficking food coupons.
<b>TITLE</b>	Effectiveness of the Store Tracking and Redemption System
<b>OBJECTIVE(S)</b>	Followup on our prior nationwide audit of the retailer tracking system to assess corrective actions taken to monitor FSP vendors more effectively.
<b>TITLE</b>	FSP and WIC Vendor Investigation and Sanction Activities
<b>OBJECTIVE(S)</b>	Evaluate the effectiveness of disqualifying a serious violator of one program from participation in the other. Review selected aspects of compliance activities with an emphasis on the quality of compliance techniques and case development.
<b>TITLE</b>	FSP Error Rate Reduction Activities
<b>OBJECTIVE(S)</b>	Evaluate FNS oversight activities and State agency operations for compliance with program requirements to develop and monitor corrective action plans to reduce issuance error rates identified by FSP quality control reviews.
<b>TITLE</b>	Followup on Redemption Accountability Project (RAP) Operations
<b>OBJECTIVE(S)</b>	Evaluate RAP's improvement over the Bank Monitoring System to more accurately account for food coupons issued, redeemed, and deposited.
<b>TITLE</b>	Food Coupon Distribution Systems
<b>OBJECTIVE(S)</b>	Assess State agency internal controls over the distribution of food coupons to recipients, by mail with an emphasis on contracted agents.

<b>TITLE</b>	FSP Administrative Costs - Nationwide
<b>OBJECTIVE(S)</b>	Followup on prior audit to determine if FNS has tightened controls to prevent States from claiming ineligible administrative costs.
<b>TITLE</b>	WIC Administrative Costs
<b>OBJECTIVE(S)</b>	Followup on prior audit to determine if FNS has tightened controls to prevent States from claiming ineligible administrative costs.
<b>TITLE</b>	Effectiveness of Electronic Benefit Transfer (EBT) Pilot Project Results
<b>OBJECTIVE(S)</b>	Assess the implementation of the EBT systems initiative, as well as coordination between USDA and other Federal agencies on these projects.
<b>TITLE</b>	National School Lunch Program Implementation of the 1989 Accountability Regulations
<b>OBJECTIVE(S)</b>	Determine whether the revised regulations (Accuclaim) improved National School Lunch Program accountability.
<b>TITLE</b>	Child and Adult Care Food Program (CACFP)
<b>OBJECTIVE(S)</b>	Evaluate program controls over CACFP sponsors, particularly family day care homes, and compliance with applicable State and FNS regulations.
<b>TITLE</b>	Controls Over Food Processors
<b>OBJECTIVE(S)</b>	Determine whether FNS is monitoring the Food Distribution Program in such a way that donated commodities and program funds are safeguarded from waste and abuse.

<b>TITLE</b>	Evaluation of the Effectiveness of Single Audits
<b>OBJECTIVE(S)</b>	Evaluate the use of the single audit by FNS and State program officials as a management tool to monitor school districts' National School Lunch operations.

SCIENCE AND EDUCATION
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#### Agricultural Research Service (ARS)

<b>TITLE</b>	Integrity of Reimbursable Agreements
<b>OBJECTIVE(S)</b>	Determine whether the defined objectives of reimbursable agreements are in accordance with the Agency's mission and relate to authorized Current Research Information System projects. Assess the adherence of their enactment and expenditures to those objectives.

#### Cooperative State Research Service (CSRS)

<b>TITLE</b>	Effectiveness of Control Over the Establishment of Research Goals/Priorities
<b>OBJECTIVE(S)</b>	Evaluate the effectiveness of the process for establishing research priorities and goals.

<b>TITLE</b>	Small Business Innovation Research (SBIR) Grant Awards
<b>OBJECTIVE(S)</b>	Evaluate the effectiveness of the SBIR program in funding research and development which is innovative and benefits the Department's needs. Assess the performance of CSRS in providing program oversight.

## NATURAL RESOURCES AND ENVIRONMENT

### Forest Service (FS)

<b>TITLE</b>	Timber Theft Prevention Activities - Region 5, 6, and 8
<b>OBJECTIVE(S)</b>	Evaluate FS' policies, procedures, and activities in detecting and preventing timber theft in Regions 5 and 8. Follow up on timber theft prevention in Region 6.
<b>TITLE</b>	National Forest Grazing Permit Compliance
<b>OBJECTIVE(S)</b>	Determine that internal controls are adequate to ensure compliance with grazing permits and that rangeland is being protected from overgrazing.
<b>TITLE</b>	Timber Management - Third Party Scalers
<b>OBJECTIVE(S)</b>	Determine if FS' internal controls over timber scaling are adequate.
<b>TITLE</b>	Land Purchases
<b>OBJECTIVE(S)</b>	Determine if lands are acquired in accordance with law and land management plan objectives, and for fair market values.
<b>TITLE</b>	Log Exports - Monitoring of Timber Purchasers/Exporters
<b>OBJECTIVE(S)</b>	Determine if controls over log exports are adequate to ensure the requirements of the Forest Resources Conservation and Shortage Act of 1990 have been met.
<b>TITLE</b>	Timber Sale Cruising Controls
<b>OBJECTIVE(S)</b>	Evaluate controls to determine if timber sale volume estimates are reasonable.



**TITLE** Airtanker Contracting Procedures

**OBJECTIVE(S)** Evaluate the award of airtanker contracts.

**TITLE** FY 1992 FS Financial Statements

**OBJECTIVE(S)** Determine if FS financial statements are fairly presented in accordance with generally accepted accounting principles, if internal accounting controls are adequate, and if FS complies with laws and regulations.

**TITLE** Controls Over Road Construction

**OBJECTIVE(S)** Evaluate the adequacy of controls over road construction, with emphasis on purchaser road credits.

**TITLE** Leasing of FS Lands Under the Federal Onshore Oil and Gas Leasing Reform Act

**OBJECTIVE(S)** Determine if controls are adequate to fulfill the requirements of the Federal Onshore Oil and Gas Leasing Reform Act.

#### **Soil Conservation Service (SCS)**

**TITLE** Great Plains Conservation Program

**OBJECTIVE(S)** Determine if the program is achieving maximum conservation and water quality and funds are not being used for practices that are normal for an operation. Determine if practices are being duplicated through subsequent contracts or other conservation programs.

<b>TITLE</b>	Alternative Conservation Systems
<b>OBJECTIVE(S)</b>	Determine if alternative conservation systems included in field office technical guides are achieving a substantial erosion reduction. Evaluate the accuracy of SCS' reporting of soil saving resulting from the application of alternative conservation systems.

<b>TITLE</b>	Watershed Planning and Operations
<b>OBJECTIVE(S)</b>	Evaluate all major aspects of the Watershed Planning and Watershed and Flood Prevention Operations Program. Evaluate adequacy of internal controls to ensure projects are justified.

<p><b>MARKETING AND INSPECTION SERVICES</b></p>
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**Agricultural Marketing Service (AMS)**

<b>TITLE</b>	Inspection and Grading Activities - Fruits and Vegetables
<b>OBJECTIVE(S)</b>	Determine whether AMS has established effective controls over inspection and grading services for fruits and vegetables to ensure quality/quantity of agricultural commodities.

<b>TITLE</b>	Dairy Grading and Inspection Activities
<b>OBJECTIVE(S)</b>	Determine if AMS has implemented corrective action on prior audit to ensure that dairy plants are properly inspected and grading is properly supervised.

<b>TITLE</b>	Development of Uniform Compliance Requirements for Marketing Order Administrative Committees
<b>OBJECTIVE(S)</b>	Assist AMS in evaluating the nature and extent of audit or compliance activities which should be conducted by each committee, and establish uniform requirements and procedures to ensure that handlers comply with the terms of their orders and that committees have an effective program to identify and report marketing order violations.

**TITLE** Nonauction Tobacco Sales and Auction and Nonauction Grading Fees

**OBJECTIVE(S)** Determine whether AMS' controls are sufficient to identify warehouses that exceeded their nonauction resale opportunity of producers' first sales. Determine whether controls were effectively administered to ensure that grading fees assessed were accurate and funds collected were correct.

**TITLE** Pesticide Data and Record Programs

**OBJECTIVE(S)** Monitor the effectiveness and efficiency of the departmentwide food safety initiative regarding nationwide pesticide usage data.

**Animal and Plant Health Inspection Service (APHIS)**

**TITLE** Salmonella Enteritidis Traceback Program

**OBJECTIVE(S)** Determine whether the regulations pertaining to the Salmonella Enteritidis Traceback Program are being followed and the program is operating effectively in controlling the spread of the disease in egg production flocks.

**TITLE** Implementation of the Animal Welfare Act

**OBJECTIVE(S)** Determine if corrective actions have been completed on our prior audit; evaluate APHIS' monitoring and oversight of animal breeders, dealers, and research centers; and identify animal care facilities violating Federal animal welfare laws.

**TITLE** Assessment of User Fees

**OBJECTIVE(S)** Evaluate APHIS' administrative controls over collecting, reporting, and depositing user fees.

## Food Safety and Inspection Service (FSIS)

<b>TITLE</b>	Adequacy of Controls to Ensure Microbiological Safety
<b>OBJECTIVE(S)</b>	Determine whether the microbiological testing program has adequate internal controls to monitor effectively for contamination of the nation's meat and poultry products.
<b>TITLE</b>	Quality Controls Over Meat and Poultry Inspections
<b>OBJECTIVE(S)</b>	Evaluate controls and procedures to ensure meat and poultry processing plants' quality control systems meet FSIS requirements and provide assurances that meat and poultry products meet minimum standards for safety and quality.
<b>TITLE</b>	Imported Meat Process
<b>OBJECTIVE(S)</b>	Follow up on prior audit recommendations and evaluate the steps taken to ensure that foreign country standards (including residue testing) are "equal to" those of the U.S.
<b>TITLE</b>	State Meat and Poultry Inspection Activities
<b>OBJECTIVE(S)</b>	Evaluate controls and procedures to ensure that State meat and poultry inspections are at least equal to those at the Federal level.

<b>MULTIPLE AGENCY AUDITS</b>
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<b>TITLE</b>	Security and Control of Sensitive USDA Systems
<b>OBJECTIVE(S)</b>	Evaluate the security controls implemented over sensitive systems in USDA. Determine whether agencies have performed a certification of the adequacy of security over sensitive computer applications.



<b>TITLE</b>	FTS 2000 Billings Security and Usage
<b>OBJECTIVE(S)</b>	Determine if problems identified in previous reviews of TELENET are still occurring within the FTS 2000 telecommunications system, such as billing time computational errors and security breach reporting procedures.
<b>TITLE</b>	IRM Planning and Budgeting
<b>OBJECTIVE(S)</b>	Evaluate the USDA IRM planning and budgeting process to determine if controls are adequate to ensure that expenditures for major IRM resources meet agencies' needs and are approved by the appropriate oversight agencies.
<b>TITLE</b>	Hazardous Underground Storage Tanks
<b>OBJECTIVE(S)</b>	Assess agencies' compliance with Federal and State requirements governing the operation and monitoring of underground storage tanks.
<b>TITLE</b>	Radioactive and Biological Materials and Waste Management By USDA Agencies
<b>OBJECTIVE(S)</b>	Assess the control systems for ensuring laboratory compliance with Federal requirements for handling, storing, and disposing of radioactive and biological wastes.
<b>TITLE</b>	Water Quality Enhancement Initiatives
<b>OBJECTIVE(S)</b>	Determine the effectiveness of the organization, guidance, and monitoring of USDA water quality initiatives, including the coordination between USDA agencies and other non-USDA agencies.
<b>TITLE</b>	FY 1992 USDA Consolidated Financial Statements
<b>OBJECTIVE(S)</b>	Determine if USDA's financial statements are fairly presented in accordance with generally accepted accounting principles, if internal accounting controls are adequate, and if USDA complies with laws and regulations.

<b>TITLE</b>	Survey of USDA Revolving Funds
<b>OBJECTIVE(S)</b>	Determine if funds with the highest vulnerability to abuse are operating in accordance with laws and regulations. Evaluate the oversight of the financial activities of these funds.
<b>TITLE</b>	Quality of CPA Audits of USDA Financial Assistance
<b>OBJECTIVE(S)</b>	Determine whether the quality of audits of financial assistance performed by Certified Public Accountants has improved based on revised auditing standards and additional controls implemented by program agencies.
<b>TITLE</b>	Adjusted World Prices for Cotton and Rice
<b>OBJECTIVE(S)</b>	Evaluate the accuracy and sources of data used in determining the adjusted world price. Assess the methodology used and its effect on applicable price support programs.
<b>TITLE</b>	Support to the Commonwealth of Independent States
<b>OBJECTIVE(S)</b>	Evaluate the technical assistance being provided to the Commonwealth of Independent States in the areas of model demonstration farms, wholesale markets, credit guarantees for facilities, loaned executives, and other forms of assistance.
<b>TITLE</b>	Implementation of the Rural Economic Development Act
<b>OBJECTIVE(S)</b>	Review the implementation of the Rural Development Administration to include survey work of major programs.
<b>TITLE</b>	Conservation Compliance Provisions
<b>OBJECTIVE(S)</b>	Determine if SCS has strengthened conservation compliance procedures in response to our prior audit.

APPENDIX III  
FISCAL YEAR 1993 AUDITS PLANNED





## FISCAL YEAR 1993 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
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AMS	NONAUCTION TOBACCO SALES AND AUCTION AND NONAUCTION GRADING FEES	SER		150
	PESTICIDE DATA AND RECORDS PROGRAM	SER		50
	DAIRY GRADING AND INSPECTION ACTIVITIES	MWR		50
	INSPECTION AND GRADING ACTIVITIES- FRUITS AND VEGETABLES	MWR		30
	ADMINISTRATIVE COSTS AT PROMOTION AND RESEARCH BOARDS	MWR		100
	PROCUREMENT AND QUALITY OF DAIRY PRODUCTS IN CHILD NUTRITION PROGRAMS	GPR		100
	DEVELOPMENT OF UNIFORM COMPLIANCE REQUIRE- MENTS FOR MARKETING ORDER ADMIN. COMMITTEES	WR		200
	AUDIT MANAGEMENT AND LIAISON	ALL		218
	SUBTOTAL		898	
APHIS	SALMONELLA ENTERITIDIS TRACEBACK PROGRAM	SER		150
	ASSESSMENT OF USER FEES	SER		100
	IMPLEMENTATION OF THE ANIMAL WELFARE ACT	MWR		100
	STRATEGIC MONITORING OF APHIS INTEGRATED SYSTEMS ACQUISITION PROJECT (ISAP)	FMS		50
	APHIS INTERNATIONAL PROGRAMS	NER		100
	ANIMAL DAMAGE CONTROL - COOPERATIVE AGREEMENTS	GPR		25
	AUDIT MANAGEMENT AND LIAISON	ALL		168
	SUBTOTAL		693	
ARS	INTEGRITY OF REIMBURSABLE AGREEMENTS	SER		25
	AUDIT MANAGEMENT AND LIAISON	ALL		8
	SUBTOTAL		33	
ASCS	MARKETING LOAN PROGRAM OBJECTIVES AND ACCOMPLISHMENTS	SER		100
	CCC PRICE SUPPORT LOANS FOR COTTON	SER		50
	AGRICULTURAL CONSERVATION PROGRAM AND CONSERVATION RESERVE PROGRAM	MWR	SER, GPR	425
	COMMODITY LOANS AND FARMER OWNED RESERVE	MWR	GPR, SWR	500
	RURAL CLEAN WATER PROGRAM	MWR		125
	WAREHOUSE PROBLEMS PHASE II	FMS		100
	CONTROL AND SECURITY OVER THE PROCESSED COMMODITY INVENTORY MANAGEMENT SYSTEM	FMS		75
	FY 1993 CCC FINANCIAL STATEMENTS	FMS	SER, MWR, NER, GPR, WR, SWR	1000
	FY 1992 CCC FINANCIAL STATEMENTS	FMS	SER, MWR, NER, GPR, WR, SWR	2250
	SECURITY AND CONTROLS OVER DISTRIBUTED PROCESSING	FMS		150
	STATE AND COUNTY OFFICE PAYMENT PROCESSING SYSTEM (SCOPPS)	FMS		100
	REAL PROPERTY LEASING PROGRAM	FMS		50
	WETLAND RESERVE PROGRAM	GPR		75
	PAYMENT LIMITATION APPLICATION TO OPERATORS	GPR		100

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
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ASCS	WATER QUALITY INCENTIVES PROJECTS	GPR		100
	1990/91 DISASTER PROGRAM PROVISIONS	GPR		100
	1991 CROP ACREAGE BASES AND YIELDS	GPR		20
	"SODBUSTED LAND" PROVISIONS	GPR		100
	COMPLIANCE OPERATIONS	GPR		140
	MALTING BARLEY ASSESSMENT COLLECTION PROCESS	GPR		20
	COLORADO SALINITY CONTROL PROGRAM	GPR		100
	FARM RECONSTITUTIONS	GPR		100
	ACP COST SHARES FOR SODBUSTED TRACTS	GPR		50
	ACREAGE REDUCTION COMPLIANCE BY DRYLAND FARMERS	WR		50
	1990-1991 DISASTER ASSISTANCE PAYMENTS FOR NONPROGRAM CROPS	SWR	SER, MWR, WR	700
	NATIONAL APPEALS STAFF	SWR		100
	MAXIMUM PAYMENT LIMITATION - 1992	SWR	SER, GPR, WR	250
	CASH/SHARE LEASE PROVISIONS	SWR		150
	LOANS TO RICE COOPERATIVES IN ARKANSAS	SWR		100
	WOOL AND MOHAIR PRICE SUPPORT PAYMENT LIMITATION PROVISIONS	SWR		50
	1991 LIVESTOCK EMERGENCY FEED PROGRAM	SWR		50
	EMERGENCY CONSERVATION PROGRAM OPERATIONS	SWR		50
	MAXIMUM PAYMENT LIMITATION - 1991	SWR	GPR, WR	269
	AUDIT MANAGEMENT AND LIAISON	ALL		2432
	SUBTOTAL			10031
CSRS	EFFECTIVENESS OF CONTROLS OVER THE ESTABLISHMENT OF RESEARCH GOALS/PRIORITIES	SER		25
	SMALL BUSINESS INNOVATION RESEARCH GRANT AWARDS	GPR		75
	AUDIT MANAGEMENT AND LIAISON	ALL		32
	SUBTOTAL			132
FAS	REIMBURSEMENT PROCESS-MARKET PROMOTION PROGRAM	NER		100
	COMMODITY ORIGIN FOR FAS PROGRAMS	NER		200
	MARKET PROMOTION PROGRAM	NER		20
	PL-480, TITLE I PROGRAM	NER		100
	EVALUATION OF FOREIGN BANK FINANCIAL RISK	NER		150
	SECTION 416(b) PROGRAM	NER		150
	USE OF LOCAL CURRENCY PAYMENTS	NER		150
	SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) ACT OF 1989	NER		75
	AUDIT MANAGEMENT AND LIAISON	ALL		302
	SUBTOTAL			1247
FCIC	PEANUT CROP INSURANCE CLAIMS	SER		50
	FCIC FOLLOWUP ON AUDIT RECOMMENDATIONS	FMS		75
	FY 1992 FCIC FINANCIAL STATEMENTS	HQ		160
	ACTUARIAL SOUNDNESS OF EXPANDED CROP INSURANCE PROGRAMS	GPR		100
	REINSURANCE PROGRAM	WR		100
	REINSURED COMPANIES CONTROLS OVER THE APH PROCESS	SWR		60
	FRAUD DETECTION IN CROP INSURANCE	SWR		50
	CROP YEAR 1991 CLAIMS	SWR	SER, MWR, NER, GPR, WR	1850
	1990 SUGARCANE CROP INSURANCE	SWR		50
	AUDIT MANAGEMENT AND LIAISON	ALL		798
	SUBTOTAL			3293

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
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FMHA	UNAUTHORIZED USE OF INVENTORY FARM PROPERTIES	SER		50
	DEFERRED MORTGAGE PAYMENT PROGRAM	SER		100
	INTERNAL CONTROL AND COMPLIANCE REVIEW PROGRAM	SER		50
	FMHA DEBT COLLECTION PROCEDURES	SER		400
	ADMINISTRATIVE APPEALS	SER		25
	MANAGEMENT OF RRH PROJECTS	MWR	SER, NER, GPR, WR, SWR	1050
	RRH CONSTRUCTION COSTS	MWR		50
	INDIRECT COST RATES FOR NONPROFIT NATIONAL CORPORATIONS	MWR		50
	RRH OPERATIONS IN ILLINOIS	MWR		30
	RRH RENTAL ASSISTANCE AND INTEREST CREDIT PROGRAM	MWR		30
	LIMITED RESOURCE LOANS	MWR	SER, GPR, WR, SWR	600
	EMERGENCY LOAN ELIGIBILITY DETERMINATIONS	MWR		100
	SALE OF INVENTORY FARM PROPERTIES	MWR		100
	RRH CONTRACT APPRAISAL PROCESS	MWR		30
	MANAGEMENT OF THE RURAL HOUSING LOAN PROGRAM	MWR		30
	RRH OPERATIONS IN WISCONSIN	MWR		200
	RECAPTURE OF INTEREST CREDIT SUBSIDIES	MWR		100
	PRESERVATION GRANT PROGRAM	MWR		100
	USE OF AND CONTROLS OVER AUDITS PERFORMED BY INDEPENDENT PUBLIC ACCOUNTANTS	MWR		75
	ACCOUNTABILITY OF THE PROTECTIVE ADVANCE FUND BY THE MASTER SERVICER	FMS		100
	FY 1992 FMHA FINANCIAL STATEMENTS	FMS	SER, MWR, NER, GPR, WR, SWR	2380
	FY 1993 FMHA FINANCIAL STATEMENTS	FMS	SER, MWR, NER, GPR, WR, SWR	800
	SURVEY FMHA CONTRACT WITH CINCINNATI BELL	FMS		100
	INFORMATION SYSTEMS FOR IRM SUPPORT SERVICES			
	REVIEW OF PENDING SYSTEM MODIFICATIONS/ ENHANCEMENTS	FMS		50
	FOLLOWUP ON IRM RELATED ACTIVITIES	FMS		100
	STRATEGIC MONITORING OF THE FMHA GUARANTEED LOAN ACCOUNTING SYSTEM	FMS		50
	INTEREST ASSISTANCE PROGRAM AND IRBD/IA PAYMENTS - FY 1991-1992	GPR	MWR	250
	RURAL RENTAL HOUSING SERVICING OF HUD SECTION 8/515 PROJECTS	GPR		50
	JUSTIFICATION FOR RURAL RENTAL HOUSING PROJECTS	WR		100
	WRITEDOWNS AND BUYOUTS UNDER THE 1990 FACT ACT	SWR	SER, MWR, GPR, WR	1500
	GUARANTEED RURAL HOUSING LOANS	SWR		100
	DEBT REPAYMENT ABILITY ON GUARANTEED LOAN LOSSES	SWR		100
	LOAN SUBORDINATIONS OF FARM OPERATING LOANS	SWR		100
	DEBT RESTRUCTURING OF FARMER PROGRAM GUARANTEED LOANS	SWR		50
	SOCIALLY DISADVANTAGED LOAN PROGRAM	SWR		175
	APPROVED LENDER PROGRAM AND INTEREST RATE REVIEW FOR GUARANTEED LOANS	SWR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		2968
	SUBTOTAL			12243

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
FNS	CHILD NUTRITION PROGRAMS	SER		300
	FOOD STAMP ADP SYSTEM COSTS IN FLORIDA	SER		150
	FOOD STAMP PROGRAM, FLORIDA	SER		320
	CHILD AND ADULT CARE FOOD PROGRAM	SER	MWR, GPR, WR, SWR	875
	WIC ADMINISTRATIVE COST IN SOUTH CAROLINA	SER		30
	FOOD STAMP PROGRAM - ERROR RATE REDUCTION ACTIVITIES	SER	MWR, NER, GPR, WR, SWR	1400
	WIC ADMINISTRATIVE COSTS	SER	MWR, WR, SWR	575
	FSP - FOOD COUPON DISTRIBUTION SYSTEMS	MWR	SER, NER, GPR, WR, SWR	1000
	NATIONAL SCHOOL LUNCH PROGRAM - CHICAGO BOARD OF EDUCATION	MWR		50
	FOOD STAMP PROGRAM CLAIMS - MICHIGAN DEPARTMENT OF SOCIAL SERVICES	MWR		30
	VENDOR INVESTIGATION AND SANCTION ACTIVITIES-FOOD STAMP PROGRAM	MWR		260
	EFFECTIVENESS OF THE STORE TRACKING AND REDEMPTION SYSTEM	MWR		100
	WIC - VENDOR MONITORING	MWR		100
	CHILD NUTRITION PROGRAMS - STATE ADMIN. EXPENSES	MWR		100
	FOOD STAMP PROGRAM RETAILER VERIFICATION	MWR	SER, NER, GPR, WR, SWR	1100
	CLAIMS AGAINST STATE AGENCIES	MWR		200
	NATIONAL SCHOOL LUNCH PROGRAM - IMPLEMENTATION OF THE 1989 ACCOUNTABILITY REGULATIONS	MWR		100
	CONTROLS OVER FOOD PROCESSORS	MWR		75
	NATIONAL SCHOOL LUNCH PROGRAM IN MINNESOTA	MWR		200
	NSLP PROCUREMENT PRACTICES	MWR		100
	FNS' COOPERATIVE DATA SHARING PROJECT	FMS		100
	SECURITY AND ACCOUNTABILITY OVER FOOD STAMP PRINTING	NER		100
	FY 1992 FNS FINANCIAL STATEMENTS	NER	SER, MWR, GPR, WR, SWR	4640
	NETTING OF FOOD STAMP OVER/UNDER ISSUANCES	NER		150
	EFFECTIVENESS OF EBT PILOT PROJECT RESULTS	NER	WR, SWR	425
	FY 1993 FNS FINANCIAL STATEMENTS	NER		600
	VI-ADMINISTRATION OF SPECIAL NUTRITION PRGMS	NER		200
	NUTRITION ASSISTANCE PROGRAM (NAP) OPERATIONS	NER		300
	NYC-FSP CLAIMS MANAGEMENT	NER		300
	FOLLOWUP ON REDEMPTION ACCOUNTABILITY PROJECT (RAP) OPERATIONS	NER		200
	FSP CASEFILE DOCUMENTATION/NEW YORK CITY	NER		50
	EMPLOYMENT AND TRAINING PROGRAM-PENNSYLVANIA	NER		90
	NY-ADMINISTRATION/MANAGEMENT OF WIC PROGRAM	NER		100
	FOOD STAMP PROGRAM - STATE OF MASSACHUSETTS	NER		50
	EVALUATION OF THE EFFECTIVENESS OF SINGLE AUDITS	GPR	SER, MWR, SWR	480
	LETTER OF CREDIT REVIEW	WR		100
	FOOD STAMP PROGRAM - ADMINISTRATIVE COST NATIONWIDE	WR	MWR, NER, SWR	850
	SELECTED FOOD PROCESSOR - CALIFORNIA	WR		75
	COMMODITY SUPPLEMENTAL FOOD PROGRAM IN LOUISIANA	SWR		75
	EMERGENCY FOOD ASSISTANCE PROGRAM IN TEXAS	SWR		75
	AUDIT MANAGEMENT AND LIAISON	ALL		5128
	SUBTOTAL			21153
FS	AIRTANKER CONTRACTING PROCEDURES	SER		250
	COST EFFECTIVENESS OF OWNING AND OPERATING AIRCRAFT	SER		50
	ALL RESOURCE REPORTING SYSTEM OPERATIONS	SER		50
	CONTROLS OVER TIMBER SALE ADMINISTRATION REGION 8	SER		25



AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
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FS	FY 1992 FS FINANCIAL STATEMENTS	SER	FMS, GPR, WR, SWR	2150
	FY 1993 FS FINANCIAL STATEMENTS	SER	MWR, FMS, NER, GPR, WR, SWR	1935
	CONTROLS OVER ROAD CONSTRUCTION	SER		25
	LEASING OF FOREST SERVICE LANDS UNDER THE FEDERAL ONSHORE OIL & GAS LEASING REFORM ACT	GPR		150
	FOREST DEVELOPMENT ROAD MAINTENANCE AGREEMENTS	GPR		50
	NATIONAL FOREST GRAZING PERMIT COMPLIANCE	GPR		100
	MAINTENANCE OF DEVELOPED RECREATION SITES	WR		100
	TIMBER MANAGEMENT - TIMBER SALE CRUISING CONTROLS	WR		100
	TIMBER MANAGEMENT, THIRD PARTY SCALERS	WR		100
	FOREST RESEARCH	WR		50
	FLEET MANAGEMENT	WR		50
	REVIEW OF SPECIAL USE PERMIT FEES CHARGED TO LARGE RESORTS	WR		100
	LOG EXPORTS - MONITORING OF TIMBER PURCHASERS/EXPORTERS	WR		350
	TIMBER THEFT PREVENTION ACTIVITIES	WR		75
	LAND PURCHASES	WR		100
	AMERICA THE BEAUTIFUL - NATIONAL TREE TRUST	SWR		150
	FOREST STEWARDSHIP MANAGEMENT PLAN DEVELOPMENT	SWR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		1939
	SUBTOTAL	7999		
FSIS	ADEQUACY OF CONTROLS TO ENSURE MICROBIOLOGICAL SAFETY	SER		350
	THE MEAT AND POULTRY INSPECTION PROGRAM	SER		75
	APPROVAL OF INDIRECT COST RATES	SER		125
	IMPORTED MEAT INSPECTION	SER		25
	QUALITY CONTROLS OVER MEAT AND POULTRY INSPECTIONS	MWR		250
	STATE MEAT AND POULTRY INSPECTION ACTIVITIES	MWR		30
	IMPORTED MEAT PROCESS	NER		100
	MANAGEMENT OF INSPECTION COSTS/USER FEES	GPR		100
	OPERATIONS OF THE PROGRAM REVIEW DIVISION	GPR		75
	FOLLOWUP ON PROBLEM PLANTS	WR		50
	AUDIT MANAGEMENT AND LIAISON	ALL		378
	SUBTOTAL	1558		
MULT	IMPLEMENTATION OF THE CASH MANAGEMENT IMPROVEMENT ACT OF 1990	SER		25
	HAZARDOUS UNDERGROUND STORAGE TANKS	SER		300
	COMPLIANCE WITH REQUIREMENTS OF PUBLIC LAWS 100-121 AND 100-690	SER		50
	FEDERAL EMPLOYEES' COMPENSATION ACT PROGRAM	SER		150
	APPROVAL OF PLANT CONSTRUCTION	SER		25
	RADIOACTIVE AND BIOLOGICAL MATERIAL AND WASTE MANAGEMENT BY USDA AGENCIES	SER		75
	ADJUSTED WORLD PRICES - RICE AND COTTON	SER		100
	IMPLEMENTATION OF THE RURAL ECONOMIC DEVELOPMENT ACT	SER		125
	COMPLIANCE WITH REQUIREMENTS OF PUBLIC LAW 100-121	SER		125
	QUALITY OF CPA AUDITS OF USDA FINANCIAL ASSISTANCE - SURVEY	MWR		50
	QUALITY OF CPA AUDITS OF USDA FINANCIAL ASSISTANCE	MWR	SER, NER, GPR, WR	1050

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
MULT	CONTROLS OVER PESTICIDE RESIDUES IN MEAT AND POULTRY	MWR		150
	SURVEY OF USDA REVOLVING FUNDS	FMS		25
	FY 1992 USDA FINANCIAL STATEMENTS	FMS		700
	FY 1993 USDA FINANCIAL STATEMENTS	FMS		200
	IRM PLANNING AND BUDGETING	FMS		300
	SECURITY AND CONTROL OF SENSITIVE USDA SYSTEMS	FMS		150
	VALIDATION OF THE PROMPT PAYMENT ACT QUALITY CONTROL PROGRAM	FMS		75
	FTS 2000 BILLINGS SECURITY AND USAGE	FMS		100
	DEPARTMENTAL ADMINISTRATION OF CONTRACTS	FMS		100
	SECURITY REVIEW OF USDA'S EASY ACCESS INITIATIVE	FMS		50
	CAPTAIN MAINTENANCE	FMS		150
	REVIEW OF CONTRACTED ADVISORY AND ASSISTANCE SERVICES	NER		150
	CONTRACTS WITH CPA/IPA FIRMS	NER		100
	FMFIA EVALUATION OF USDA ACTIVITIES-FY 1992	NER		50
	P.L. 480, TITLE I-SHIPPING REGULATIONS	NER		30
	SUPPORT TO THE COMMONWEALTH OF INDEPENDENT STATES	NER		75
	NONFEDERAL AUDIT TECHNICAL ASSISTANCE	NER		100
	WATER QUALITY ENHANCEMENT INITIATIVES	GPR		150
	PENALTIES FOR VIOLATION OF CONSERVATION PROVISIONS	GPR		120
	CONSERVATION COMPLIANCE PROVISIONS	GPR		290
	CONTRACT ADMINISTRATION & MODIFICATIONS - EQUITABLE ADJUSTMENT CLAIMS - FS, SCS	WR		75
	FY 1993 AUDIT ASSIST	FMS		200
	AUDIT FOLLOWUP	ALL		900
	SPECIAL REQUESTS	ALL		2534
	AUDITS OF CONTRACTS	ALL	(EXCEPT FMS)	527
	SINGLE AUDIT MANAGEMENT	ALL	(EXCEPT FMS)	600
	AUDIT MANAGEMENT AND LIAISON	ALL		3192
	SUBTOTAL			13168
NASS	PRICE DATA FOR FEED GRAINS AND WHEAT	SER		225
	MANAGEMENT AND SECURITY OVER LOCAL AREA	FMS		150
	NETWORKS AND STATISTICAL FORECASTING DATA			
	AUDIT MANAGEMENT AND LIAISON	ALL		120
	SUBTOTAL			495
OFM	AUDIT OF PROCUREMENTS BY THE NATIONAL FINANCE CENTER	FMS		150
	NFC AUTOMATED TIME AND ATTENDANCE SYSTEM	FMS		100
	NFC GOVERNMENT TRANSPORTATION SYSTEM (GVTS)	FMS		100
	USDA'S AIMS PROJECT	FMS	SER	325
	NFC GENERAL CONTROLS REVIEW - FY 1992	FMS		50
	NFC GENERAL CONTROLS REVIEW - FY 1993	FMS		250
	COMPARISON OF USER BILLINGS TO NFC EXPENDITURES	FMS		100
	AUDIT MANAGEMENT AND LIAISON	ALL		344
	SUBTOTAL			1419
OICD	OICD FINANCIAL MANAGEMENT	NER		50
	AUDIT MANAGEMENT AND LIAISON	ALL		16
	SUBTOTAL			66

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
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OIRM	SECURITY REVIEW OF FMHA'S AUTOMATED PRODUCTION CONTROL SYSTEM CA-7	FMS		100
	NCC GENERAL CONTROLS REVIEW - FY 1992	FMS		100
	ADMINISTRATION OF DEPARTMENTAL IRM SECURITY	FMS		75
	NCC GENERAL CONTROL REVIEW - FY 1993	FMS		100
	AUDIT MANAGEMENT AND LIAISON	ALL		120
	SUBTOTAL			495
OP	IMPLEMENTATION OF E.O. 12731 - ETHICS REFORM ACT OF 1989	NER		100
	AUDIT MANAGEMENT AND LIAISON	ALL		32
	SUBTOTAL			132
RDA	FISCAL YEAR FY 1992 AND 1993 RDA FINANCIAL STATEMENTS	FMS		200
	B&I LOAN PROGRAM LIQUIDATIONS	WR		100
	B&I LOAN SERVICING - NATIONWIDE AUDIT REPORT	WR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		128
	SUBTOTAL			528
REA	HAYWOOD ELECTRIC MEMBERSHIP CORPORATION, BREVARD, NORTH CAROLINA	SER		50
	RURAL ELECTRIFICATION ADMINISTRATION/RURAL TELEPHONE BANK FINANCIAL STATEMENTS	HQ		120
	REA TELEPHONE AND ELECTRIC RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM	SWR		100
	TELEPHONE LOAN PROGRAM	SWR		50
	AUDIT MANAGEMENT AND LIAISON	ALL		102
	SUBTOTAL			422
SCS	GREAT PLAINS CONSERVATION PROGRAM	GPR		150
	ALTERNATIVE CONSERVATION SYSTEMS	GPR		100
	WATERSHED CONSTRUCTION COSTS AND CONTRACTING	GPR		200
	OFFICER PAYMENTS SETTLEMENTS			
	AUDIT MANAGEMENT AND LIAISON	ALL		144
	SUBTOTAL			594
GRAND TOTAL	STAFF DAYS			76600







